



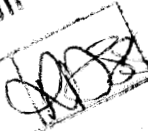
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Transcript Exhibit(s)

Docket #(s): SW-04210A-10-0392

Exhibit #: A1-A3, S1, S2

Arizona Corporation Commission
DOCKETED
MAY 18 2011

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AZ CORP COMMISSION
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Phoenix, Arizona 85012
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Attorneys for The Links at Coyote Wash Utilities, LLC

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF THE LINKS AT COYOTE WASH
UTILITIES, LLC, FOR APPROVAL OF A
RATE INCREASE.

DOCKET NO. SW-04210A-10-0392


**NOTICE OF FILING
AMENDED RATE APPLICATION**

The Links at Coyote Wash Utilities, L.L.C. ("Company") hereby submits its amended rate application, attached as **Exhibit A**, which addresses various changes proposed by Staff, including the sufficiency items identified in the letter of insufficiency issued on October 22, 2010.

For convenience, attached as **Exhibit B** is a copy of the compliance status report issued by the Arizona Department of Environmental Quality ("ADEQ") confirming the Coyote Wash Wastewater Treatment Plant's compliance with ADEQ rules and regulations, which the Company filed on September 29, 2010 as a supplement to its initial rate application.

DATED this 3rd day of December, 2010.

FENNEMORE CRAIG, P.C.

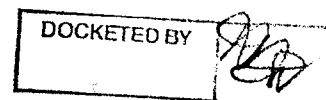
By 
Patrick J. Black
Attorneys for The Links at Coyote Wash Utilities, LLC

ORIGINAL and 13 copies filed this
3rd day of December, 2010, with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
DOCKETED

DEC 3 2010



1 COPY hand-delivered this 3rd day of December, 2010:

2 Ayesha Vohra, Esq.
3 Legal Division
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Gerald Becker
8 Utilities Division
9 Arizona Corporation Commission
10 1200 West Washington Street
11 Phoenix, Arizona 85007

12 Carmel Hood, Compliance
13 Utilities Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17 By: W-M-M-Clack
18 2374647.1/16307.002

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EXHIBIT

A

ARIZONA CORPORATION COMMISSION



**RATE APPLICATION
FOR WASTEWATER COMPANIES
WITH ANNUAL GROSS OPERATING REVENUES
(INCLUDING REQUESTED RATE RELIEF)
OF LESS THAN \$250,000
PER ARIZONA ADMINISTRATIVE CODE R14-2-103**

Links at Coyote Wash Utilities, LLC
UTILITY NAME

December 31, 2009
TEST YEAR ENDED

You must complete ALL items in the application according to the instructions provided. If you have any questions regarding the application, call (602) 542-0851 for Staff assistance.

IN ORDER TO PROCESS YOUR APPLICATION
FORWARD THE
ORIGINAL AND TEN COPIES OF THE
APPLICATION AND COVER SHEET
TO DOCKET CONTROL CENTER
1200 WEST WASHINGTON
PHOENIX, ARIZONA 85007

Revised 10/00

NARRATIVE DESCRIPTION OF APPLICATION FOR RATE INCREASE

Instructions:

Please provide a written narrative of the purpose for your request for a permanent rate increase. The narrative should include: changes in current, compared to past operations, that necessitate the increase; descriptions and/or calculations of adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments); significant factors influencing your revenues, expenses and/or rate base; anticipated growth/decline in customers expected in the next two (2) years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, small retail businesses, large commercial, etc.; efforts made by the utility to control costs/ expenses and/or mitigate the amount of rate increase; changes in environmental rules, discharge limits, or permits which will require modifications or additions to the wastewater treatment plant; problems with decaying sewers (infiltration/inflow); and other factors relevant to your request for increased rates.

Links at Coyote Wash Utilities (LACW) is filing for a rate increase at this point in time for two primary reasons: First, in the CCN order, decision #67157, LACW is required to file a rate application (Docket SW-04210A-03-0712). Second, there is essentially no growth at LACW, whose developments have experienced significant financial hardship. The project has not seen the growth rate that was initially anticipated, and as such, LACW's customer base has stalled. Meanwhile, operating costs continue to rise, and upgrades to and the frequency of repairs necessary to the treatment equipment and collection system have increased as the facilities have aged.

With respect to new customer growth, we expect minimal growth. At the end of 2009, as you can see in the bill count, we had a total of 367 customers. In August, 2010, we have 361 customers. We do not expect any significant customer growth over the next two year period.

With respect to known and measurable changes in expenses, we expect the trend of between 5% and 10% annual increases in professional services fees (certified contract operations (731)) and Professional Management (736). Purchased power costs should remain in the 1-2% per year increase range, while chemicals(718) we expect will rise again by 10% this calendar year. We expect bad debt Expenses (770) to remain the same as the test year (approximately 5% of gross revenues – we have no means of turning off service for delinquencies, and no agreement with the local water company to provide a turn-off service).

COMPLETE THE FOLLOWING STATEMENTS IN SUPPORT OF YOUR RATE REQUEST.

Links at Coyote Wash Utilities, LLC requests an increase in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending December 31, 2010. The Company had annual gross revenues of \$154,928, served an average of 338 residential and commercial customers during the Test Year. The Company also sold 32.11 acre-feet of effluent to one effluent customer, resulting in revenues of \$ 19,563.86.

The composite depreciation rate the Company applies to utility plant in service is 2.855% percent. The Company is requesting an increase in revenues in the amount of \$60,000, and total annual gross revenues if the Company is granted the rate increase will be \$204,928.

The Company will notify its customers of its application for a rate increase on 10/1/2010. A copy of the notice with a notarized cover letter stating the method of customer notification, as well as the date of the notification, will be sent to the ACC upon completion of the notice which will be mailed with customer bills.

By completing this application in support of my request for a rate increase, I waive the right to use Reconstruction Cost New Depreciated (RCND) plant information to determine fair value of plant in service.

The utility company ownership is a partnership (LLC). I have read and completed this application, and to the best of my knowledge, all of the information contained in, and attached to this application, is true and correct.

Name of Owner/Manager (Print)	Company Name
Glen "Spike" Curtis	G12, LLC
Title Owner	Address: 4400 E Hwy 80, Yuma, AZ 85365
Signature	
Date 09/17/2010	Phone Number (303) 333-1250
Email Address: jw@pivotalcompanies.com	Fax Number (303)333-1257

Company Name: Links at Coyote Wash Utilities	Test Year Ended: 12/31/09

CURRENT AND PROPOSED RATES AND CHARGES

	CURRENT RATES	PROPOSED RATES
Flat Rate Customers		
Residential (minimum rate)	30.00	41.60
Commercial		
Industrial		
Public Authorities		
Other		
Measured Rate Customers		
Residential		
Commercial	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate of the commercial customer. One SFE is equal to 262 gpd. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate (as determined by the metered water use times a factor of .85) of the commercial customer. One SFE is equal to 262 gpd. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.
Industrial		
Public Authorities		
Other		
Other Customers		
Interdepartmental and/or Associated Companies		
Other Wastewater Systems		
Sale of Effluent	2.00 per 1,000 gal.	2.77 per 1,000 gal.
Sale of Sludge		

SERVICE CHARGES

Listed below are current and proposed service charges as appropriate. Commission Rules should be consulted in proposing new service charges. Please list current and proposed rates on Page 7, as well as any service charges not listed below you currently, or propose to charge.

Service Charge (Commission Rule)	Description
Service Lateral Installation Charge (R14-2-606)	A refundable Advance in Aid of Construction paid by a new customer to cover the cost of installing all customer piping. Propose a charge for every pipe size listed on Page 7.
Establishment (R14-2-603.D)	A charge covering the cost to establish a new account for a person requesting service where the customers facilities are ready and acceptable to the utility, and do not require construction by the utility.
Establishment (After Hours) (R14-2-403.D.2)	A charge covering the cost to establish a new account for a person requesting service during a period other than regular working hours.
Deposit (R14-2-603.B)	A refundable security deposit not exceeding two times the average residential class bill for residential customers, and not exceeding two and one-half times a non-residential customer's estimated maximum monthly bill.
Deposit Interest (R14-2-603.B.3)	A Commission approved annual percentage interest rate applied to customer deposits. A six percent rate shall be applied if the company does not specify an interest rate with the Commission.
Re-establishment and Reconnection (R14-2-603.D.1)	A charge for service at the same location where the same customer had ordered a service disconnection within the preceding twelve-month period.
NSF Check (R14-2-608.E)	A fee for each instance where a customer tenders payment for utility service with an insufficient funds check.
Deferred Payment (R14-2-409.G.6)	Applicable monthly finance charges (interest rate) applied in a deferred payment agreement between the company and a customer.
Late Payment Fee (R14-2-608.F)	Late fee to be applied due to payment not received by the utility by the due date. In the absence of an approved tariff, the late fee is not to exceed 1 ½% of the delinquent bill. Delinquent bill shall be subject to the utility's termination procedures as set forth in R14-2-609.

Company Name: Links at Coyote Wash Utilities

Test Year Ended: 12/31/09

CURRENT AND PROPOSED SERVICE CHARGES

SERVICE LATERAL INSTALLATION CHARGES (per service line)	CURRENT RATES	PROPOSED RATES
4-inch lateral	N/A	N/A
6-inch lateral	N/A	N/A
8-inch lateral	N/A	N/A
12-inch lateral	N/A	N/A
	\$	\$
	\$	\$
	\$	\$

Flow Meter Installation Charge	\$100.00	N/A
Establishment	\$ 25.00	\$ 30.00
Establishment (After Hours)	N/A	N/A
Reconnection (Delinquent)	\$ 30.00	Cost
Deposit	As per commission rule R14-2-603B	No Change
Deposit Interest	As per commission rule R14-2-603B	No Change
Re-establishment (Within 12 months)	Months off system times the minimum	No Change
NSF Check	\$ 25.00	\$ 25.00
Deferred Payment	N/A	N/A
Late Fee	1.5% per month	1.5% per month

**PLEASE INDICATE A YES OR NO ANSWER TO THE QUESTIONS BELOW AND
PROVIDE AN EXPLANATION WHERE NECESSARY.**

A parent-subsidary relationship, or affiliation, with another entity includes corporations, partnerships, or sole proprietorship, as well as common ownership of a wastewater company and another entity, such as a development company or water company.

Are any assets owned jointly with any affiliated or subsidiary entities? No

If Yes, please provide a description of each jointly owned asset, its cost, and the percentage of the asset owned by the utility. (Please note the amounts reported on Pages 10 and 11 should only include the percentage of plant owned by the utility.)

Were any of the assets constructed or acquired from an affiliated or subsidiary entity? No

If Yes, please identify the affiliated entity, the relationship with the utility, and a detailed listing of all transactions reflected in the Plant accounts. Also include detail for other balance sheet accounts, such as Advances, Contributions in Aid of Construction, inter-company payables and receivables, as well as Income Statement items such as revenues and expenses.

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

Plant Additions or (Retirements) by Year

Acct No.	Description	Original Cost Per Books	2006	2007	2008	Current Test Year ('09)
351	Organization					
352	Franchises	\$ 8,370				
353	Land and Land Rights	\$ 4,270				
354	Structures and Improvements				\$ 1,809	\$ 326
355	Power Generation Equipment					
360	Collection Sewers – Force					
361	Collection Sewers – Gravity	\$ 410,957	\$17,394			
362	Special Collecting Structures					
363	Services to Customers					
364	Flow Measuring Devices					
365	Flow Measuring Installations					
370	Receiving Wells	\$ 7,500				
380	Treatment and Disposal Equip.	\$ 156,020	\$ 12,575	\$17,999	\$ 4,953	\$5,546
381	Plant Sewers					
382	Outfall Sewer Lines					
389	Other Plant and Misc. Equipment					
390	Office Furniture and Equipment					
391	Transportation Equipment					
393	Tools, Shop and Garage Equip.					
394	Laboratory Equipment					
395	Power Operated Equipment					
398	Other Tangible Plant					
	TOTAL WASTEWATER PLANT	\$ 587,117	\$ 617,087	\$ 635,085	\$ 641,847	\$ 647,720

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/09

UTILITY PLANT IN SERVICE

Acct. No.		Original Cost	Accumulated Depreciation	O.C.L.D.
351	Organization			
352	Franchises	8,370	-8,370	0
353	Land and Land Rights	4,271	0	4,271
354	Structures and Improvements	2,136	-126	2,010
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	428,351	-50,504	377,847
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	7,500	-1,630	5,870
380	Treatment and Disposal Equip.	197,096	-53,470	143,626
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTAL WASTEWATER PLANT	647,724	-114,100	533,624

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

WASTEWATER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Extended Aeration
DESIGN CAPACITY OF PLANT (Gallons Per Day)	69,300 gallons per day

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
County Road 12 – 300 yards west of WWTP	2	10	400	3,300
Coyote Wash Golf Course Lift Station (Phase 3 & 4)	2	30	400	2,630
Avenue 29E – serving commercial parcels	2	5	250	2,630

FORCE MAINS

Size	Material	Length (Feet)
4-inch		
6-inch	PVC	2,020
8-inch	PVC	5,000

MANHOLES

Type	Quantity
Standard	75

CLEANOUTS

Quantity
3

Drop	

Company Name: Links at Coyote Wash Utilities, LLC	Test Year Ended: 12/31/2009
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WASTEWATER COMPANY PLANT DESCRIPTION CONTINUED

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
4		
6		
8	PVC	19,700
10	PVC	3,500
12	PVC	1,650
15	PVC	4,025
18		
21		
24		
30		

SERVICES

Size (in inches)	Material	Quantity
4	PVC	504
6		
8		
12		
15		

For the following five items, please list the utility owned assets in each category.

SOLIDS PROCESSING AND HANDLING FACILITIES	Sludge holding tank/aerobic digester
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Chlorine contact tank and liquid chlorine feed system, dechlorination tablet feeder
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	N/A
STRUCTURES (Buildings, Fences, Etc.)	Stucco operations/control/chemical storage lab building Block wall surrounding WWTP
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Backup generator (75 kw diesel) w/150 amp transfer switch; centrifuge, lab basic test kit; influent and effluent magnet flow meters

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
January	319	1,174,900	37,900
February	324	1,106,000	39,500
March	324	1,193,500	38,500
April	336	870,000	29,000
May	328	744,000	24,000
June	336	810,000	27,000
July	333	620,000	20,000
August	333	589,000	19,000
September	348	630,000	21,000
October	356	775,000	25,000
November	350	930,000	31,000
December	367	1,023,000	33,000

Please provide the following information as applicable:

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse – golf course
ADEQ Groundwater Permit Number	105311
ADEQ Aquifer Protection Permit Number	105311
ADEQ Reuse Permit Number	N/A
EPA NPDES Permit Number	N/A
Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse – golf course

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	109,428	115,769
522	Measured Revenues	11,510	12,638
536	Other Wastewater Revenues	27,148	26,521
	TOTAL REVENUES	148,086	154,928
	OPERATING EXPENSES		
701	Salaries and Wages		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	8,150	5,075
715	Purchased Power	17,767	17,990
716	Fuel for Power Production		
718	Chemicals	17,285	18,960
720	Materials and Supplies	182	1917
731	Contractual Services – Professional	35,577	46,985
735	Contractual Services – Testing	13,059	11,026
736	Contractual Services – Other	34,774	33,225
740	Rents		
750	Transportation Expense		
755	Insurance Expense		
765	Regulatory Commission Expense		
775	Miscellaneous Expense	2,860	3,646
403	Depreciation Expense	20,828	19,506
408	Taxes Other Than Income		
408.11	Property Taxes	2,112	2,804
409	Income Taxes		
	TOTAL OPERATING EXPENSES	152,594	161,134
	OPERATING INCOME/(LOSS)		
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	0	59
421	Non-Utility Income		
426	Miscellaneous Expenses (bad debt)	-19,203	-8347
427	Interest Expense	-194	-117
	TOTAL OTHER INCOME/(EXPENSE)	-19,397	-8,405
		PRIOR YEAR	CURRENT YEAR
	NET INCOME/(LOSS)	-23,905	-14,611

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.		Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises	8,370	0	0
353	Land and Land Rights	4,271	0	0
354	Structures and Improvements	2,136	3%	66
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	428,351	2%	8,567
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	7,500	3%	250
380	Treatment and Disposal Equip.	197,096	5%	10,624
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTAL WASTEWATER PLANT	647,724		19,507

NOTE: Use Test Year ending balances for Column 1, and proposed depreciation rates in Column 2.

Company Name: Links at Coyote Wash Utilities, LLC	Test Year Ended: 12/31/2009
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BALANCE SHEET

	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	1,818	1,151
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	22,131	21,172
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	23,949	22,323
	FIXED ASSETS		
101	Utility Plant in Service	641,847	647,720
103	Property Held for Future Use		
105	Construction Work in Progress	6,693	6,693
108	Accumulated Depreciation – Utility Plant	-94,594	-114,100
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	553,946	540,313
	TOTAL ASSETS	577,895	562,636

NOTE: Total Assets on this page should equal Total Liabilities and Capital on Page 18.

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

BALANCE SHEET CONTINUED

	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	10,010	10,167
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	163,944	162,245
235	Customer Deposits	3,000	3,893
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	176,954	176,305
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
252	Advances in Aid of Construction	15,000	15,000
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	15,000	15,000
	TOTAL LIABILITIES	191,954	191,305
	CAPITAL ACCOUNTS		
201	Common Stock Issued		
211	Other Paid in Capital		
215	Retained Earnings	-23,907	-14,612
218	Proprietary Capital (Sole Props and Partnerships)	409,849	385,942
	TOTAL CAPITAL	385,942	371,330
	TOTAL LIABILITIES AND CAPITAL	577,896	562,635

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

If the Commission has not approved any of the above loans, please attach an explanation citing why the Company did not seek approval. If additional space is needed, please attach as many supplemental pages as necessary.

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

CONTRIBUTIONS IN AID OF CONSTRUCTION

Balance Per Prior Decision	\$
Additions 19__	\$
Additions 19__	\$
Additions 19__	\$
Additions 19__	\$
Additions 19__	\$
Additions 19__	\$
Total Additions	\$
Balance at Test Year End	\$

ADVANCES IN AID OF CONSTRUCTION

	Additions During Year	Refunds During Year	Cumulative Total
Balance per Prior Decision			
2005	\$5,000		\$5,000
2006	\$10,000		\$10,000
Total of Additions	\$15,000		
Total of Refunds		\$0	

NOTE: Prior Decision refers to the balances per the prior Staff Report as adjusted per the final Commission Decision.

Company Name: Links at Coyote Wash Utilities, LLC

Test Year Ended: 12/31/2009

BILL COUNT SUMMARY

	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
Flat Fee (equivalent – includes condos shown separately, but billed to HOA as one customer)	953	985	1013	1035	3,986
1 to 1,000			1	1	2
1,001 to 2,000					
2,001 to 3,000			1		1
3,001 to 4,000					
4,001 to 5,000				1	1
5,001 to 6,000			3		3
6,001 to 7,000					
7,001 to 8,000		1			1
8,001 to 9,000		1		1	2
9,001 to 10,000			1		1
10,001 to 12,000	1	2			3
12,001 to 14,000	4	1		1	6
14,001 to 16,000			1	2	3
16,001 to 18,000			1	2	3
18,001 to 20,000		1			1
20,001 to 25,000					
25,001 to 30,000				1	1
30,001 to 35,000				1	1
35,001 to 40,000					
40,001 to 50,000	2	3	1	2	8
50,001 to 60,000	1		2		3
60,001 to 70,000				1	1
70,001 to 80,000			1	1	2
80,001 to 90,000				2	2
90,001 to 100,000	1		1	1	3
Over 100,000	5	6	5	5	21
Total Bills	967	1000	10318	1057	4055

CUSTOMER NOTIFICATION

Links at Coyote Wash Utilities, LLC has applied to the Arizona Corporation Commission for an increase in rates. The present rates have been in effect since May, 2004. An increase in rates is necessary at this time due to low growth rates and increasing prices for commodities, supplies, and services.

CURRENT AND PROPOSED RATES AND CHARGES

	CURRENT RATES	PROPOSED RATES
Flat Rate Customers		
Residential	30.00	41.60
Commercial	N/A	N/A
Measured Rate Customers		
Residential	N/A	N/A
Commercial	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate of the commercial customer. One SFE is equal to 262 gpd. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate (as determined by the metered water use times a factor of .85) of the commercial customer. One SFE is equal to 262 gpd. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.
Industrial	N/A	N/A
Other Customers		
Sale of Effluent	2.00 per 1,000 gal.	2.77 per 1,000 gal.

CURRENT AND PROPOSED SERVICE CHARGES

Establishment	\$ 25.00	\$ 30.00
Establishment (After Hours)	\$ 25.00	\$ 30.00
Reconnection (Delinquent)	\$ 30.00	Cost
Deposit	As per commission rule R14-2-603B	No Change
Deposit Interest	As per commission rule R14-2-603B	No Change
Re-establishment (Within 12 months)	Months off system times the minimum	No Change
NSF Check	\$ 25.00	\$ 25.00
Late Fee	1.5% per month	1.5% per month

CUSTOMER NOTIFICATION

Links at Coyote Wash Utilities, LLC has filed with the Arizona Corporation Commission ("Commission") an application for authorization for a \$60,000 increase in its rates and charges ("Application"). The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, or the Commission in Tucson at 400 West Congress, North Building, Room 218, or by email upon request (email request to info@pivotalcompanies.com). Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.

Customer input is an important part of the Commission's analysis of the requested increase and is a factor in determining whether a hearing will be conducted. Customers are encouraged to call to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. As a property owner or customer, you may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 1-800-222-7000 in Phoenix, or 1-800-535-0148 in Tucson.

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, comments submitted in writing will be Docketed in the file, which the Commission reviews prior to making the final Decision on the Application. It is important that you contact the Commission within 15 days so that the Commission's Staff can consider your comments and concerns in developing its recommendations to the Commission.

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Accrual Basis

LINKS AT COYOTE WASH UTILITIES
Measured Revenues - ACCOUNT 522 - Commercial Revenues
January through December 2009

	Type	Date	Num	Name	Memo	Qty	Amount
1001.01 - COYOTE WASH CLUBHOUSE							
	Invoice	01/31/2009	8213	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	02/28/2009	8480	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	03/31/2009	6756	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	04/30/2009	7024	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	05/31/2009	7293	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	06/30/2009	7552	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	07/31/2009	7817	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	08/31/2009	8082	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	09/30/2009	8360	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	10/31/2009	8626	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	11/30/2009	8889	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
	Invoice	12/31/2009	9183	1001.01 - COYOTE WASH CLUBHOUSE	Monthly Sewer Fee	1.00	125.00
Total 1001.01 - COYOTE WASH CLUBHOUSE							1,500.00
1552.01 - JACK IN THE BOX - COM							
	Invoice	01/31/2009	8413	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	130,600.00	423.14
	Invoice	02/28/2009	6681	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	93,200.00	301.97
	Invoice	03/31/2009	6953	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	110,700.00	358.67
	Invoice	04/30/2009	7222	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	123,900.00	401.44
	Invoice	05/31/2009	7486	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	122,300.00	386.25
	Invoice	06/30/2009	7749	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	114,300.00	370.33
	Invoice	07/31/2009	8014	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	134,200.00	434.81
	Invoice	08/31/2009	8279	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	75,200.00	243.65
	Invoice	09/30/2009	8556	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	92,800.00	300.67
	Invoice	10/31/2009	8821	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	76,600.00	248.18
	Invoice	11/30/2009	9086	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	80,400.00	260.50
	Invoice	12/31/2009	9361	1552.01 - JACK IN THE BOX - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	92,470.00	299.60
Total 1552.01 - JACK IN THE BOX - COM							4,039.21
1553.01 - MICROTREL CW LLC - COM - TERM							
	Invoice	01/31/2009	6414	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	5,790.00	18.76
	Invoice	02/28/2009	6682	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	36,760.00	119.10
	Invoice	03/31/2009	6954	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	37,910.00	122.83
	Invoice	04/30/2009	7223	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	87,000.00	281.88
	Invoice	05/31/2009	7489	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	151,690.00	491.48
	Invoice	06/30/2009	7750	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	113,030.00	368.22
	Invoice	07/31/2009	8015	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	155,690.00	504.44
	Invoice	08/31/2009	8280	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1.00	0.00
	Invoice	09/30/2009	8557	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1.00	0.00
	Invoice	10/31/2009	8822	1553.01 - MICROTREL CW LLC - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1.00	0.00
Total 1553.01 - MICROTREL CW LLC - COM - TERM							1,904.71
1553.02 - MICROTREL - ANDARONA - COM-EMAIL							
	Invoice	08/31/2009	8281	1553.02 - MICROTREL - ANDARONA - COM-EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	5,920.00	19.18
	Invoice	09/30/2009	8558	1553.02 - MICROTREL - ANDARONA - COM-EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	225,620.00	731.01
	Invoice	10/31/2009	8823	1553.02 - MICROTREL - ANDARONA - COM-EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	141,050.00	457.00

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Accrual Basis

LINKS AT COYOTE WASH UTILITIES
Measured Revenues - ACCOUNT 522 - Commercial Revenues
January through December 2009

	Type	Date	Num	Name	Memo	Qty	Amount
	Invoice	11/30/2009	9087	1553.02 - MICROTREL - ANDARONA - COM-EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	80,900.00	262.12
	Invoice	12/31/2009	9432	1553.02 - MICROTREL - ANDARONA - COM-EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	103,680.00	335.92
Total				1553.02 - MICROTREL - ANDARONA - COM-EMAIL			1,805.23
1587.01 - QUIZNOS - COM - TERM							
	Invoice	01/31/2009	6445	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	02/28/2009	6713	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	03/31/2009	6985	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	04/30/2009	7254	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	05/31/2009	7520	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	06/30/2009	7781	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	07/31/2009	8046	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	08/31/2009	8312	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	09/30/2009	8587	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	10/31/2009	8854	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	11/30/2009	9118	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
	Invoice	12/31/2009	9392	1587.01 - QUIZNOS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	3.24
Total				1587.01 - QUIZNOS - COM - TERM			76.47
1590.01 - SHOOTERS - COLLECT - TERM - DNS							
	Invoice	01/31/2009	6447	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	22,000.00	71.28
	Invoice	02/28/2009	6715	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	21,300.00	68.01
	Invoice	03/31/2009	6987	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	26,700.00	86.51
	Invoice	04/30/2009	7256	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	1,000.00	0.00
	Invoice	05/31/2009	7522	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	14,500.00	46.98
	Invoice	06/30/2009	7783	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	12,100.00	39.20
	Invoice	07/31/2009	8048	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	11,200.00	36.29
	Invoice	08/31/2009	8314	1590.01 - SHOOTERS - COLLECT - TERM - DNS	Commercial sewer rate per ACC, in accordance with R14-2-608	5,900.00	19.12
Total				1590.01 - SHOOTERS - COLLECT - TERM - DNS			368.39
1590.02 - BEACH CLUB - COM - EMAIL							
	Invoice	09/30/2009	8589	1590.02 - BEACH CLUB - COM - EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	5,900.00	19.12
	Invoice	10/31/2009	8856	1590.02 - BEACH CLUB - COM - EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	11,600.00	37.58
	Invoice	11/30/2009	9120	1590.02 - BEACH CLUB - COM - EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	17,200.00	55.73
	Invoice	12/31/2009	9394	1590.02 - BEACH CLUB - COM - EMAIL	Commercial sewer rate per ACC, in accordance with R14-2-608	93,300.00	107.89
Total				1590.02 - BEACH CLUB - COM - EMAIL			220.32
1591.01 - COYOTE WASH MARKET - COM - TERM							
	Invoice	01/31/2009	6448	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	13,100.00	42.44
	Invoice	02/28/2009	6716	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	12,200.00	39.53
	Invoice	03/31/2009	6988	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	11,200.00	36.29
	Invoice	04/30/2009	7257	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	10,200.00	33.05
	Invoice	05/31/2009	7523	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	10,300.00	33.37
	Invoice	06/30/2009	7784	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	7,700.00	24.95
	Invoice	07/31/2009	8049	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	18,300.00	62.81
	Invoice	08/31/2009	8315	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	950.00	3.08
	Invoice	09/30/2009	8590	1591.01 - COYOTE WASH MARKET - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	15,300.00	49.57

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Accrual Basis

LINKS AT COYOTE WASH UTILITIES
Measured Revenues - ACCOUNT 522 - Commercial Revenues
January through December 2009

Type	Date	Num	Name	Memo	Qty	Amount
Invoice	10/31/2009	9857	1591.01 - COYOTE WASH MARKET - COM - TER	Commercial sewer rate per ACC, in accordance with R14-2-608	17,100.00	55.40
Invoice	11/30/2009	9121	1591.01 - COYOTE WASH MARKET - COM - TER	Commercial sewer rate per ACC, in accordance with R14-2-608	15,400.00	48.90
Invoice	12/31/2009	9395	1591.01 - COYOTE WASH MARKET - COM - TER	Commercial sewer rate per ACC, in accordance with R14-2-608	15,100.00	48.92
Total 1591.01 - COYOTE WASH MARKET - COM - TERM						463.31
1605.01 - CHEVRON STATION - COM - Lien						
Invoice	01/31/2009	6457	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	51,900.00	168.16
Invoice	02/28/2009	6725	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	42,100.00	136.40
Invoice	03/31/2009	6998	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	45,700.00	148.07
Invoice	04/30/2009	7268	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	47,200.00	152.93
Invoice	05/31/2009	7530	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	40,900.00	132.52
Invoice	06/30/2009	7791	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	41,200.00	133.49
Invoice	07/31/2009	8056	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	55,100.00	178.52
Invoice	08/31/2009	8322	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	47,800.00	154.87
Invoice	09/30/2009	8597	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	53,200.00	172.37
Invoice	10/31/2009	8864	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	42,000.00	136.08
Invoice	11/30/2009	9128	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	42,900.00	139.00
Invoice	12/31/2009	9402	1605.01 - CHEVRON STATION - COM - Lien	Commercial sewer rate per ACC, in accordance with R14-2-608	62,900.00	203.80
Total 1605.01 - CHEVRON STATION - COM - Lien						1,859.21
1606.01 - FIRST SOUTHERN BAPTIST - COM						
Invoice	02/02/2009	6471	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	12,040.00	39.01
Invoice	03/01/2009	6999	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	12,065.00	39.16
Invoice	04/30/2009	7267	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	12,060.00	39.07
Invoice	05/31/2009	7531	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	9,000.00	29.16
Invoice	06/30/2009	7792	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	19,890.00	64.44
Invoice	07/31/2009	8057	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	5,760.00	18.66
Invoice	08/31/2009	8323	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	2,970.00	9.62
Invoice	09/30/2009	8598	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	8,240.00	29.94
Invoice	10/31/2009	8865	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	4,870.00	16.10
Invoice	11/30/2009	9129	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	8,140.00	26.37
Invoice	12/31/2009	9403	1606.01 - FIRST SOUTHERN BAPTIST - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	26,890.00	86.48
Total 1606.01 - FIRST SOUTHERN BAPTIST - COM						398.01
1631.01 - K CHENS - COM - TERM						
Invoice	12/31/2009	9428	1631.01 - K CHENS - COM - TERM	Commercial sewer rate per ACC, in accordance with R14-2-608	1.00	0.00
Total 1631.01 - K CHENS - COM - TERM						0.00
1632.01 - ARIZONA RV AND PARTS - COM						
Invoice	12/31/2009	9431	1632.01 - ARIZONA RV AND PARTS - COM	Commercial sewer rate per ACC, in accordance with R14-2-608	1.00	0.00
Total 1632.01 - ARIZONA RV AND PARTS - COM						0.00
TOTAL						12,637.86

LINKS AT COYOTE WASH UTILITIES
Other Wastewater Revenue - By Account No.
January through December 2009

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Accrual Basis

		Type	Date	Num	Name	Memo	Amount
536 - OTHER REVENUES							
536.1 - Late Penalty Charges							
Total 536.1 - Late Penalty Charges							
536.2 - Establishment Fees							
Total 536.2 - Establishment Fees							
536.5 - Golf Course Reuse Revenue							
		Invoice	01/31/2009	6467	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	2,348.89
		Invoice	02/28/2009	6736	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	2,137.46
		Invoice	03/31/2009	7012	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	2,324.97
		Invoice	04/30/2009	7281	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,714.77
		Invoice	05/31/2009	7545	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,442.17
		Invoice	06/30/2009	7807	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	609.76
		Invoice	07/31/2009	8075	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,086.33
		Invoice	08/31/2009	8342	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,183.22
		Invoice	09/30/2009	8617	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,275.06
		Invoice	10/31/2009	8885	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,544.86
		Invoice	11/30/2009	9149	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	1,834.58
		Invoice	12/31/2009	9429	3001.01 - CW GOLF COURSE - COM - EMAIL	rate per gallon sent to G.C.	2,041.81
		Total 536.5 - Golf Course Reuse Revenue					19,563.86
Total 536 - OTHER REVENUES							
TOTAL							26,521.20

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Accrual Basis

LINKS AT COYOTE WASH UTILITIES Transaction Detail by Account January through December 2009

Type	Date	Num	Name	Memo	Amount	Equivalent Services
521.1 - Residential Sewer Fees						
Invoice	01/01/2009	7491	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	01/31/2009	6416	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	02/28/2009	7548	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	03/31/2009	6684	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	04/30/2009	6856	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	05/31/2009	7225	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	06/30/2009	7752	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	07/31/2009	8017	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	08/31/2009	8283	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	09/30/2009	8619	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	10/31/2009	8825	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	11/30/2009	9089	1555.01 - COYOTE WASH HOA - EMAIL			
Invoice	12/31/2009	9384	1555.01 - COYOTE WASH HOA - EMAIL			
HOA FEES					27,720.00	80
Total 521.1 - Residential Sewer Fees					115,788.72	3986
Total Equivalent Residential Services (2009):					3986	
TOTAL CREDIT MEMOS						
					-4,328.88	
TOTAL PRORATED FEES						
					617.60	
SINGLE FLAT FEE BILLINGS @ \$30/MONTH						
					91,050.00	3035
MULTIPLE MONTH BILLING						
					810.00	27
Sewer Charge (62 CONDOS)						
					1,880.00	62
Sewer Charge (65 CONDOS)						
					1,950.00	65
Sewer Charge (65 CONDOS)						
					1,950.00	65
Sewer Charge (66 CONDOS)						
					1,980.00	66
Sewer Charge (66 CONDOS)						
					1,980.00	66
Sewer Charge (66 CONDOS)						
					1,980.00	66
Sewer Charge (67 CONDOS)						
					2,010.00	67
Sewer Charge (67 CONDOS)						
					2,010.00	67
Sewer Charge (80 CONDOS - BUILDOUT)						
					2,400.00	80
Sewer Charge (80 CONDOS - BUILDOUT)						
					2,400.00	80
Sewer Charge (80 CONDOS - BUILDOUT)						
					2,400.00	80
Sewer Charge (80 CONDOS - BUILDOUT)						
					2,400.00	80
Sewer Charge (80 CONDOS - BUILDOUT)						
					2,400.00	80

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1571.94

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
21627312	11610879			1	2940	16433	22009	3	1658.35

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

2170920 1571.94

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
13971

TOTAL
AMOUNT DUE 1658.35

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1658.35

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
31843368	21627312			1	3658	16056	32009	3	1647.01

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

3160920 1658.35

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
13876

TOTAL
AMOUNT DUE 1647.01

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1647.01

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
41759300	31843368			1	3588	15932	42309	3	1633.49

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

4060920 1647.01

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
13762

TOTAL
AMOUNT DUE 1633.49

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1633.49

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS USED			
51573141	41759300			1	3639	13841	52109	3	1444.84

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

5040920 1633.49

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX

12173

TOTAL
AMOUNT DUE 1444.84

TAX INCLUDED

ENERGY COST ADJUSTMENT RWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1444.84

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS USED			
61587478	51573141			1	2804	14337	61809	3	1463.26

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

6080920 1444.84

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX

12326

TOTAL
AMOUNT DUE 1463.26

TAX INCLUDED

ENERGY COST ADJUSTMENT RWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1452.38

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS USED			
81817258	717 1812			1	2836	15446	82109	3	1565.21

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

8030920 1452.38

Basal treatment CWP1P1A2
WASTE WATER PLANT-GLEN CURTIS

PO#2574

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX

13187

TOTAL
AMOUNT DUE 1565.21

TAX INCLUDED

ENERGY COST ADJUSTMENT RWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1565.21

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
91730711	81817258			1	3221	13453	92209	3	1396.15

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

CUT OFF IN 5 DAYS-ARREARS 1565.21
WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
11762

TOTAL
AMOUNT DUE 2961.36

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
2961.36

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
101944698	91730711			1	2500	139871	02209	3	1421.66

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
11977

TOTAL
AMOUNT DUE 1421.66

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT

ACCOUNT (928) 785-3351 LOCATION



UTILITY
BILLING

BALANCE
FORWARDED
1212.00

PRESENT		PREVIOUS		MULT.	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
12177125311	1356220			1	2727	150331	22209	3	1524.14

ALL CODES ARE SHOWN ON THE REVERSE SIDE.

WASTE WATER PLANT-GLEN CURTIS

GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224

APPLICABLE
SALES TAX
12841

TOTAL
AMOUNT DUE 1524.14

TAX INCLUDED

ENERGY COST ADJUSTMENT KWH X \$.000000

**WELLTON-MOHAWK IRRIGATION
AND DRAINAGE DISTRICT**

ACCOUNT (328) 785-3351 LOCATION



WELLTON-MOHAWK IRRIGATION AND DRAINAGE DISTRICT

PRESENT		PREVIOUS		MULT	KILOWATT		DATE	CODE	AMOUNT
DATE	READING	DATE	READING		DEMAND	HRS. USED			
111356220101944698				1	3296	11522112009	3		1212.00

* ALL CODES ARE SHOWN ON THE REVERSE SIDE.

WASTE WATER PLANT-GLEN CURTIS

**GLEN CURTIS, INC. STE 547
6825 E. TENNESSEE AVE
DENVER, CO 80224**

1021.35	TOTAL AMOUNT DUE	1212.00
	TAX INCLUDED	

ENERGY COST ADJUSTMENT KWH X \$.000000

**BALANCE
FORWARDED
1421.66**

11090920 1421.66CR

WMID

30570 WELLTON-MOHAWK DRIVE • WELTON, ARIZONA 852
(328) 785-3351

ACCOUNT LOCATION

**BILLING
DATE
112009**

ALL BILLS ARE DUE AND PAYABLE
15 DAYS AFTER BILLING DATE ABOVE.
TO INSURE PROPER CREDIT TO YOUR
ACCOUNT AND TO PREVENT YOUR CHECKS

RETURN THIS STUB

WITH YOUR PRESENT PROMPTLY.
MAKE CHECKS PAYABLE TO: WMID.

GLEN CURTIS, INC. STE 547

1212.00

AMOUNT DUE

INVOICE

SANTEC CORPORATION
220 MALIBU STREET
CASTLE ROCK, COLORADO 80109

PHONE: (303) 660-9211
FAX: (303) 660-2180

INVOICE NUMBER: 09-0603

DATE: JUNE 3, 2009

ORDER NUMBER: VERBAL

PIVOTAL UTILITY MANAGEMENT
THE LINKS AT COYOTE WASH LLC
6825 E. TENNESSEE SUITE 547
DENVER, CO 80224

SHIP TO:
SUNSTATE ENVIRONMENTAL SVC
4743 E. 30TH PLACE
YUMA, AZ 85366

TERMS: NET 30 DAYS
PAYMENT DUE BY: JULY 2, 2009

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	BARNES GRINDER PUMP- USED SGV 2042L 2HP 460 VOLT 3 PHASE	\$975.00	\$975.00

SHIP DATE: JUNE 3, 2009

SHIPPED VIA: UPS

FOB POINT: FACTORY

SUBTOTAL \$975.00

TAX -5.6% \$54.60

SHIPPING \$101.55

BALANCE DUE \$1,131.15

THANK YOU - WE APPRECIATE YOUR BUSINESS

INVOICE

INVOICE

SANTEC CORPORATION
220 MALIBU STREET
CASTLE ROCK, COLORADO 80109

PHONE: (303) 660-9211
FAX: (303) 660-2180

INVOICE NUMBER: 09-0512

DATE: MAY 12, 2009

ORDER NUMBER: VERBAL
RICK

PIVOTAL UTILITY MANAGEMENT
THE LINKS AT COYOTE WASH LLC
6825 E. TENNESSEE SUITE 547
DENVER, CO 80224

SHIP TO:
SUNSTATE EMVIRONMENTAL SVC
4743 E. 30TH PLACE
YUMA, AZ 85366

TERMS: NET 30 DAYS
PAYMENT DUE BY: JUNE 11, 2009

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	REPLACEMENT GREYLINE LEVEL SENSOR MODEL PZ32T-A	\$627.75	\$627.75

SHIP DATE: MAY 11, 2009

SHIPPED VIA: UPS

FOB POINT: FACTORY

SUBTOTAL \$627.75

TAX -5.6% \$35.15

SHIPPING \$25.55

BALANCE DUE \$688.45

THANK YOU - WE APPRECIATE YOUR BUSINESS

INVOICE

INVOICE

SANTEC CORPORATION
220 MALIBU STREET
CASTLE ROCK, COLORADO 80109

PHONE: (303) 660-9211
FAX: (303) 660-2180

INVOICE NUMBER: 09-0106

DATE: JANUARY 6, 2009

ORDER NUMBER: VERBAL
RICK

PIVOTAL UTILITY MANAGEMENT
THE LINKS AT COYOTE WASH LLC
6825 E. TENNESSEE SUITE 547
DENVER, CO 80224

SHIP TO:
SUNSTATE ENVIRONMENTAL SVC
4743 E. 30TH PLACE
YUMA, AZ 85366

TERMS: NET 30 DAYS
PAYMENT DUE BY: FEBRUARY 5, 2009

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
1	BARNES GRINDER PUMP SGVF2042L 460.VOLT-3 PHASE 2.HP.	\$1,821.00	\$1,821.00

SHIP DATE: JANUARY 6, 2009

SHIPPED VIA: UPS

FOB POINT: FACTORY

SUBTOTAL \$1,821.00

TAX -5.6% \$101.98

SHIPPING \$109.68

BALANCE DUE \$2,032.66

THANK YOU - WE APPRECIATE YOUR BUSINESS

INVOICE

109
PROPERTY TAX STATEMENT
YUMA COUNTY, ARIZONA



DAVID EGEBERG, TREASURER
410 MAIDEN LANE, STE C
YUMA, AZ 85364

THIS IS THE ONLY TAX NOTICE YOU WILL RECEIVE

Yuma County Treasurer mails tax bills to all property owners. If you have a mortgage on your property and your taxes are paid through an impound account, keep this notice for your records.

For important information
 and payment instructions,
 see reverse side.

YOUR CHECK IS YOUR RECEIPT.



LINKS AT COYOTE WASH UTILITIES INC
C/O JASON WILLIAMSON
6825 E TENNESSEE AVE STE 547
DENVER CO 80224-1633

LOCATION ADDRESS:

CENTRALLY VALUED PROPERTY ACCOUNT 55-548

ACCOUNT NUMBER
0000

ITEM	LAND	BLDGS, ETC.	PERSONAL PROPERTY	TOTALS
LAND	0	0.00	0	0.00
BLDG, ETC.	136,000	22.00	29,920	0.00
PERSONAL PROPERTY	136,000	22.00	29,920	0.00
TOTALS	136,000	22.00	29,920	0.00

ITEM	LAND	BLDGS, ETC.	PERSONAL PROPERTY	TOTALS
LAND	0	0.00	0	0.00
BLDG, ETC.	136,000	22.00	29,920	0.00
PERSONAL PROPERTY	136,000	22.00	29,920	0.00
TOTALS	136,000	22.00	29,920	0.00

ITEM	LAND	BLDGS, ETC.	PERSONAL PROPERTY	TOTALS
LAND	0	0.00	0	0.00
BLDG, ETC.	136,000	22.00	29,920	0.00
PERSONAL PROPERTY	136,000	22.00	29,920	0.00
TOTALS	136,000	22.00	29,920	0.00

Primary	2,172.68
Land	0.00
Net	2,172.68
Sec	631.26
Special	0.00
TOTAL	2,803.94
HALF	1,401.97

ACCOUNT NUMBER	ACCOUNT NAME	TYPE	2008 TAX	2009 TAX	2010 TAX	2011 TAX
02000	YUMA COUNTY	PRIM	625.03	411.33	113.70	1,754.8
02002	SCHOOL EQUALIZATION	PRIM	98.92	.00	98.92	3306
05024	WELLTON SD#24	PRIM	595.32	536.92	58.40	1,9897
08101	AUHS SD#50	PRIM	500.36	447.48	52.88	1,6723
08150	ARIZONA WESTERN COLLEGE	PRIM	453.05	355.59	97.46	1,5142
14900	YUMA COUNTY LIBRARY	SCND	219.66	167.81	52.05	.7341
65024	WELLTON SD#24	SCND	186.37	18.16	168.21	.6229
68150	AWC 2003 BOND ISSUE	SCND	6.16	24.63	-18.47	.0208
68154	AWC 2005 BOND ISSUE	SCND	22.28	14.16	8.10	.0744
68155	AWC 2006 BOND ISSUE	SCND	66.24	41.01	25.23	.2214
76101	AUHS SD#50	SCND	130.57	94.87	35.70	.4364
TOTALS			2,803.94	2,111.76	692.18	

DELINQUENT DATES

1st Half Year Taxes become delinquent on November 2, 2009 at 5:00PM, unless the full year tax bill exceeds \$100.00 and the full year is paid by December 31, 2009 (excluding delinquencies that are due November 1, 2009).

2nd Half Year Taxes become delinquent on May 3, 2010 at 5:00PM.

PLEASE SEND ALL PAYMENTS TO: David Egeberg, Yuma County Treasurer, 410 Maiden Lane Ste. C, Yuma, AZ 85364

Apollo Drain Service LLC

P.O. Box 910
Yuma, AZ 85366-0910
928-726-1199

Invoice**9177**

Date

7/30/2009

Bill To

LINKS AT COYOTE WASH UTILITIES LLC
C/O PIVOTAL UTILITIES
6825 E. TENNESSEE AVE., SUITE 300
DENVER, CO. 80224

Job Address

P.O. No.

Terms

Project

Due on receipt

Quantity	Description	Rate	Amount
	Pumping & Disposal Full Load / 4,000 GAL	975.00	975.00
	Trip Charge	50.00	50.00
	Yuma City and County Sales Tax	8.40%	0.00
		Total	\$1,025.00

Apollo Drain Service LLC

P.O. Box 910
Yuma, AZ 85366-0910
928-726-1199

Invoice**9073**

Date

5/28/2009

Bill To

LINKS AT COYOTE WASH UTILITIES LLC
C/O PIVATOL UTILITIES
6825 E. TENNASSEE AVE., SUITE 401
DENVER, CO. 80224

Job Address

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	Pumping & Disposal Full Load / 4,000 GAL	975.00	975.00
	Yuma City and County Sales Tax	8.40%	0.00
Total			\$975.00

Apollo Drain Service LLC

P.O. Box 910
Yuma, AZ 85366-0910
928-726-1199

Invoice**09012**

Date

4/23/2009

Bill To

LINKS AT COYOTE WASH UTILITIES LLC
C/O PIVATOL UTILITIES
6825 E. TENNASSEE AVE., SUITE 401
DENVER, CO. 80224

Job Address

P.O. No.

Terms

Project

Due on receipt

Quantity	Description	Rate	Amount
	Pumping & Disposal Full Load / 4,000 GAL	975.00	975.00
	Trip Charge	50.00	50.00
	Yuma City and County Sales Tax	8.40%	0.00
		Total	\$1,025.00

(928)317-1401
gce@gcepc.com

Invoice

DATE	INVOICE #
09/08/2009	1273
TERMS	DUE DATE
Net 30	10/08/2009

Pivotal Utility Management, LLC
6825 E. Tennessee Avenue Suite 547
Denver, CO 80224

Service	Activity	Quantity	Rate	Amount
Professional Services	• Hydrogeologic Study for Coyote Wash, Wellton Arizona	1	1,500.00	1,500.00
	• Map preparation	1	500.00	500.00

KIPPUR, YOUMANS AND ASSOCIATES, P.C.
2121 SOUTH ONEIDA STREET, SUITE 525
DENVER, COLORADO 80224
(303) 758-1796

JANUARY 31, 2009

THE LINKS AT COYOTE WASH UTILITIES LLC
P.O. BOX 6407
YUMA, AZ 85366

PROFESSIONAL SERVICES RENDERED IN THE PREPARATION OF YOUR 2008
PARTNERSHIP RETURNS, INCLUDING:

FORM 1065, U.S. PARTNERSHIP RETURN OF INCOME
SCHEDULE K-1, PARTNER'S SHARE OF INC, DED, CREDITS, ETC
FORM 4562, DEPRECIATION AND AMORTIZATION
ALTERNATIVE MINIMUM TAX/ACE DEPRECIATION REPORT
K-1 MULTIPLE ACTIVITY SCHEDULE
TWO-YEAR COMPARISON WORKSHEET
AZ 165, PARTNERSHIP RETURN OF INCOME
AZ SCHEDULE K-1 NR, NONRESIDENT PARTNER'S SHARE INFO
INCLUDES YEAR END JOURNAL ENTRIES AND TRIAL BALANCE

75.

TAX PREPARATION FEE

\$ 750.00



JAMES, COOKE & HOBSON, INC.

3501 E. Broadway Road
Phoenix, AZ 85040-2833
Ph# (602) 243-0585 Fax# (602) 276-5402

INVOICE NO.
335959

5966

TO: THE LINKS AT COYOTE WASH
P O BOX 6407

SHIP TO: THE LINKS AT COYOTE WASH

YUMA AZ 85365
ACCOUNTS PAYABLE

YUMA

AZ 85365

Page 1

SHIP VIA		FREIGHT		SALESMAN		Terms		Customer P.O.		JCH Ref.		Invoice Date	
2KUP		Prepaid		KJB		Net 30 Days		V LEONARD SANCHEZ		335959		4/17/09	
ITEM	QTY	PART NUMBER		DESCRIPTION				UNIT PRICE		AMOUNT			
001				TAG: PO#V LEONARD SANCHEZ MODEL: 3102.090 S/N: 0630132									
002	1	REPAIR		FLYGT SUBMERSIBLE WASTEWATER PUMP WITH 5 HP, 3/60/460 MOTOR AND POWER CABLE. IMP CODE 462				1,155.27		1,155.27			
Sales Tax 1		Sales Tax 2		Sales Tax 3		Freight		Invoice Total		1,251.16			
95.89													

Please Remit To: James, Cooke & Hobson, Inc.
3810 Academy Pkwy S. NE
Albuquerque, NM 87109-4453

INVOICE

LAW OFFICES
FENNEMORE CRAIG, P.C.

SUITE 2600
3003 N. CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2913
(602) 916-5000

Federal ID No. 86-0293128

LINKS AT COYOTE WASH UTILITIES LLC
PO BOX 6407
YUMA AZ 85366

ATTENTION: GLEN CURTIS

FILE NO.: 16307-001-JSHA

Please Return Top Portion of Statement With Remittance

RE: CC&N

Date: 01/12/09
Invoice: 643569

For Professional Services Rendered and Charges and Costs Advanced

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
12/01/08	Whitney Birk: (Paralegal) E-mails regarding compliance filing pursuant to Decision No. 69209.	0.20	35.00
12/01/08	Patrick Black: Attend and respond to emails concerning compliance.	0.10	33.50
12/02/08	Patrick Black: Attend to and follow up on emails concerning compliance filing requirements.	0.20	67.00
12/08/08	Whitney Birk: (Paralegal) Work on compliance filing pursuant to Decision No. 69209.	0.50	87.50
12/19/08	Whitney Birk: (Paralegal) Finish drafting compliance filing pursuant to Decision No. 69209 (regarding ADOSH training, APP Permit, and AOC); provide to P. Black for review and	2.50	437.50

continued on next page

FENNEMORE CRAIG

LINKS AT COYOTE WASH UTILITIES LLC
01/12/09
Page 2

Client: ~~XXXX~~
Matter: 001
Invoice: 643569

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
	then to J. Williamson; finalize same for delivery to Arizona Corporation Commission.		
12/19/08	Patrick Black: Review and finalize compliance filing with ACC and attend to emails concerning same.	0.30	100.50

TOTAL Hours and Fees	3.80	\$761.00
----------------------	------	----------

Services Performed By	Hours	Rate	Amount
Patrick Black	0.60	335.00	201.00
Whitney Birk	3.20	175.00	560.00
TOTAL Current Fees			\$761.00

DATE	CHARGES AND COSTS ADVANCED	AMOUNT
12/19/08	In-House Doc. Reproduction - General Copies	12.80
	TOTAL Current Charges and Costs	\$12.80

Current Balance Due	\$773.80
Previous Balance Due	\$122.50
TOTAL Balance Due	\$896.30

FENNEMORE CRAIG

INVOICE

LAW OFFICES
FENNEMORE CRAIG, P.C.

SUITE 2600
3003 N. CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2913
(602) 916-5000

Federal ID No. 86-0293128

LINKS AT COYOTE WASH UTILITIES LLC
PO BOX 6407
YUMA AZ 85366

ATTENTION: GLEN CURTIS

FILE NO.: 16307-002-JSHA

Please Return Top Portion of Statement With Remittance

RE: General

Date: 03/24/09
Invoice: 652766

For Professional Services Rendered

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
02/18/09	Patrick Black: Conference with J. Williamson concerning ADOSH tour of plant and letter concerning same; follow up with W. Birk and forward compliance filing to J. Williamson with comments on how to proceed with ACC.	0.30	105.00
02/26/09	Patrick Black: Attend and respond to email from J. Williamson concerning APP permit amendment application and effect on CC&N; review documents relative to same.	0.40	140.00
02/27/09	Patrick Black: Review compliance filing of ADOSH report and response to same; review ADOSH report; email to J. Williamson concerning what to do with filing and preparation of ACC reaction to findings in report.	0.80	280.00

continued on next page

FENNEMORE CRAIG

LINKS AT COYOTE WASH UTILITIES LLC
03/24/09
Page 2

Client: [REDACTED]
Matter: 002
Invoice: 652766

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
TOTAL Hours and Fees		1.50	\$525.00
Services Performed By		Hours	Rate
Patrick Black		1.50	350.00
TOTAL Current Fees			\$525.00
Current Balance Due			\$525.00

FENNEMORE CRAIG

INVOICE

LAW OFFICES
FENNEMORE CRAIG, P.C.

SUITE 2600
3003 N. CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2913
(602) 916-5000

Federal ID No. 86-0293128

LINKS AT COYOTE WASH UTILITIES LLC
PO BOX 6407
YUMA AZ 85366

ATTENTION: GLEN CURTIS

FILE NO.: 16307-001-JSHA

Please Return Top Portion of Statement With Remittance

RE: CC&N

Date: 04/16/09
Invoice: 655349

For Professional Services Rendered and Charges and Costs Advanced

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
03/03/09	Whitney Birk: (Paralegal) Additional work on ADOSH compliance filing and provide to P. Black for review.	0.30	52.50
03/03/09	Patrick Black: Attend to email from J. Williamson concerning filing ADOSH report and follow up with W. Birk concerning same.	0.20	70.00
03/04/09	Patrick Black: Follow up with W. Birk on filing and correct attachments to same.	0.10	35.00
03/09/09	Patrick Black: Conference with J. Williamson regarding ACC request to invalidate CC&N for failure to submit amended APP; review Decision No. 69209; call to Carmel Hood concerning same, review letter from ADEQ, detailed email to J. Williamson regarding information needed for Motion to Extend	1.20	420.00

continued on next page

FENNEMORE CRAIG

LINKS AT COYOTE WASH UTILITIES LLC
04/16/09
Page 2

Client: [REDACTED]
Matter: 001
Invoice: 655349

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
	deadline to comply with Decision No. 69209.		
03/09/09	Whitney Birk: (Paralegal) Review file for Decision No. 69209 and Company's December 2008 compliance filing regarding ADOSH, AOC, and APP Permit, and provide to P. Black.	0.20	35.00
03/11/09	Patrick Black: Begin drafting Motion for Extension; review Decision and determined utility out of compliance, and unlikely to get an extension without AOCs from ADEQ for the onsite facilities; follow up email to J. Williamson concerning same; call to J. Williamson regarding same.	0.50	175.00
03/12/09	Patrick Black: Attend and respond to email concerning compliance matters for CC&N extension; review ACC order to determine applicability of requirement to file Approvals of Construction with ACC on onsite facilities; follow up conference with J. Williamson concerning same.	0.30	105.00
03/18/09	Patrick Black: Email to J. Williamson regarding outstanding compliance issues; attend to response regarding same.	0.20	70.00
03/30/09	Patrick Black: Finalize draft of Motion for Extension of Time to comply with CC&N extension; draft Notice of Supplemental Compliance; review ATCs and AOCs for project; forward drafts to J. Williamson with comments.	1.50	525.00
03/31/09	Whitney Birk: (Paralegal) Review Motion for Extension of Time and Supplemental Notice of Compliance; finalize along with exhibits and prepare to file; forward same to J. Williamson.	1.00	175.00

continued on next page

FENNEMORE CRAIG

LINKS AT COYOTE WASH UTILITIES LLC
04/16/09
Page 3

Client: ~~XXXX~~
Matter: 001
Invoice: 655349

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
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TOTAL Hours and Fees		5.50	\$1,662.50
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Services Performed By	Hours	Rate	Amount
Patrick Black	4.00	350.00	1,400.00
Whitney Birk	1.50	175.00	262.50

TOTAL Current Fees			\$1,662.50
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DATE	CHARGES AND COSTS ADVANCED	AMOUNT
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03/04/09	In-House Doc. Reproduction - General Copies	54.40
03/11/09	Telephone toll charges - (720)260-0531	0.05
03/12/09	Telephone toll charges - (720)260-0531	0.20
03/31/09	In-House Doc. Reproduction - General Copies	71.40

TOTAL Current Charges and Costs		\$126.05
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Current Balance Due	\$1,788.55
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Previous Balance Due	\$262.50
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TOTAL Balance Due	\$2,051.05
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FENNEMORE CRAIG

INVOICE

LAW OFFICES
FENNEMORE CRAIG, P.C.

SUITE 2600
3003 N. CENTRAL AVENUE
PHOENIX, ARIZONA 85012-2913
(602) 916-5000

Federal ID No. 86-0293128

LINKS AT COYOTE WASH UTILITIES LLC
PO BOX 6407
YUMA AZ 85366

ATTENTION: GLEN CURTIS

FILE NO.: 16307-001-JSHA

Please Return Top Portion of Statement With Remittance

RE: CC&N

Date: 07/13/09
Invoice: 665368

For Professional Services Rendered

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
06/01/09	Patrick Black: Review ROO concerning request for extension and forward same to J. Williamson for review and comment.	0.20	70.00
06/18/09	Patrick Black: Conference call with J. Williamson concerning request for extension of time on CC&N decision compliance matters.	0.20	70.00
06/23/09	Patrick Black: Prepare for Open Meeting on Motion to Extend; attend Open Meeting for Motion to Extend.	1.00	350.00
06/23/09	Whitney Birk: (Paralegal) Review recommended order.	0.10	17.50
06/24/09	Patrick Black: Attend and respond to email from J. Williamson concerning extension of time for Units 3 and 4 CC&N.	0.20	70.00

continued on next page

FENNEMORE CRAIG

LINKS AT COYOTE WASH UTILITIES LLC
07/13/09
Page 2

Client: ~~XXXX~~
Matter: 001
Invoice: 665368

DATE	PROFESSIONAL SERVICES	HOURS	AMOUNT
TOTAL Hours and Fees		1.70	\$577.50
Services Performed By		Hours	Rate
Patrick Black		1.60	350.00
Whitney Birk		0.10	175.00
TOTAL Current Fees			\$577.50
Current Balance Due			\$577.50

FENNEMORE CRAIG

SUNSTATE ENVIRONMENTAL SERVICES
UTILITY MANAGEMENT
4743 E. 30TH PLACE
YUMA AZ 85365

Invoice

1/13/2010

LINKS AT COYOTE WASH
JASON WILLIAMSON
6825 E. TENNESSEE AVE ST.547
DENVER, CO 80224

Invoice #
9121849-6

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
TOTAL COLIFORM	1	35.00	35.00
FECAL / ECOLI	17	40.00	680.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
12/16/09 Replace level probe	1	80.00	80.00
EXTRA VISITS ON WEEKENDS OVERTIME 12/4-12/6, 12/11-12/13	6	15.00	90.00
NOVEMBER 2009			
CORRECTED INVOICE			
Total			\$5,510.00
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE UTILITY MANAGEMENT

4743 E. 30TH PLACE
YUMA AZ 85365

Invoice

2/9/2009

LINKS AT COYOTE WASH
JASON WILLIAMSON
6825 E. TENNESSEE AVE ST.401
DENVER, CO 80224

Invoice #

9013-20

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	15	35.00	525.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME	3.5	80.00	280.00
01/05/09 Pulled pump #1 and tested			
01/09/09 Replaced pump #1 and transferred all brackets then			
installed new pump .			
JANUARY 2009			
Total			\$5,460.00

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE UTILITY MANAGEMENT
4743 E. 30TH PLACE
YUMA AZ 85365

Invoice

3/3/2009

LINKS AT COYOTE WASH
JASON WILLIAMSON
6825 E. TENNESSEE AVE ST.401
DENVER, CO 80224

Invoice #
9057-14

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	16	35.00	560.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME(SEE ATTACHED)	4	80.00	320.00
OVERTIME OSHA REQUIREMENT (MANUFACTURED AND INSTALLED SHIELDS FOR BLOWERS)	1	80.00	80.00
FREE CHLORINE REAGENTS	2	18.62	37.24
FEBRUARY 2009			
Total			\$5,652.24

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE UTILITY MANAGEMENT

4743 E. 30TH PLACE
YUMA AZ 85365

Invoice

4/14/2009

LINKS AT COYOTE WASH
JASON WILLIAMSON
6825 E. TENNESSEE AVE ST.547
DENVER, CO 80224

Invoice #

9085-21

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	18	35.00	630.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME	3.5	80.00	280.00
03/13/09 Received call at 9:20am commercial center lift station failed. Found 30 amp breaker failed Reset and pumped down lift station to EQ tank to keep from overloading plant. Left at 1:50pm			
Total			\$5,565.00
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

5/5/2009

PAID

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
90427 231

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	18	35.00	630.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE	2	30.00	60.00
CYANIDE	2	50.00	100.00
FLUORIDE	2	20.00	40.00
ANTIMONY	2	20.00	40.00
BARIUM	2	18.00	36.00
BERYLLIUM	2	18.00	36.00
CADMIUM	2	20.00	40.00
CHROMIUM	2	18.00	36.00
LEAD	2	20.00	40.00
NICKEL	2	15.00	30.00
SELENIUM	2	20.00	40.00
THALLIUM	2	20.00	40.00
MERCURY	2	45.00	90.00
METALS DIGESTION	2	20.00	40.00
Total			
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

5/5/2009

PAID

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
90427 231

P.O. No.			
Description	Quantity	Rate	Amount
13 GLN GOULDS PRESSURE TANK	1	275.00	275.00
PRESSURE SWITCH	1	26.00	26.00
SALES TAX	1	25.28	25.28
Lowe's and miscellaneous (see attached)	1	50.00	50.00
OVERTIME	7.5	80.00	600.00
4/2/09 Main lift station tripped 4CB breaker pump #1 causing it to trip out. Level in liftstation 22'. Found problem with thermal overload in pump #1. Installed jumper wire in panel. Checked amp draw; pump #1 10.5, pump #2 11.5, FLA 13.0 amp. Increased pump flow at EQ & CL2 dosage. Monitored plant from 11:30 am to 7 pm to keep EQ tank from spilling over			
OVERTIME	2	80.00	160.00
4/07/09 Pulled pump #1 from Commercial center lift station. Coyote Wash employee took to Phoenix for repair.			
OVERTIME	1.5	80.00	120.00
4/17/09 Installed rebuilt pump at Commercial Center			
OVERTIME	2.5	80.00	200.00
4/17-23/09 Installed pressure tank at wwtp for monitoring well			
Total			
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
UTILITY MANAGEMENT
4743 E. 30TH PLACE
YUMA AZ 85366

Invoice

5/5/2009

LINKS AT COYOTE WASH
JASON WILLIAMSON
6825 E. TENNESSEE AVE ST.547
DENVER, CO 80224

PAID

Invoice #
90427 231

P.O. No.			
Description	Quantity	Rate	Amount
OVERTIME	6	80.00	480.00
4/23/09 Pulled air diffusers for inspection and cleaning.			
Replaced 9 diffusers			
Portion Paid		-4,000.00	-4,000.00
Total			\$3,859.28

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

6/3/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
9128-6

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	18	35.00	630.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
624 TTHM 04/29/09	1	120.00	120.00
OVERTIME	5.5	80.00	440.00
5/01 MAIN LIFT STATION: PULLED PUMP 1 AND INSPECTED OIL. IT WAS OK. FOUND SHORT IN WIRING AT J BOX REPAIRED WIRING AND REINSTALLED PUMP HRS. 3			
5/08 REPLACED LEVEL PROBE IN EQ 1.0 HR			
5/26 PULL PUMP 2 FROM EQ. SENT OUT FOR INSPECTION 1.5 HR			
Total			\$5,845.00

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

7/1/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
90618-902

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	18	35.00	630.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME 06/01/09 repaired air lift for digester, pulled sludge diffusers and cleaned. No air in areation 2. pulled diffuser train form areation 1, found pipe broke at Tee.Replaced tee and elbow. reinstalled materials	2.5	80.00	200.00
OVERTIME 06/06/09 wires shorted in EQ tank for pump 1 due to high level, high flow, and one pump in EQ. Pump down EQ with portable pump, repaired shorted wires in J box	2.5	80.00	200.00
OVERTIME Installed pump 2 in EQ tank	1.5	80.00	120.00
Total			\$5,813.00
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

8/10/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
9070915-3

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE for JULY 2009		2,800.00	2,800.00
DAILY FECAL COLIFORM	16	35.00	560.00
MONTHLY TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
ANTIMONY	2	20.00	40.00
BARIUM	2	18.00	36.00
BERYLLIUM	2	18.00	36.00
CADMIUM	2	20.00	40.00
CHROMIUM	2	18.00	36.00
LEAD	2	20.00	40.00
MERCURY	2	45.00	90.00
NICKEL	2	15.00	30.00
SELENIUM	2	20.00	40.00
THALLIUM	2	20.00	40.00
CYANIDE	2	50.00	100.00
FLUORIDE	2	20.00	40.00
METALS DIGESTION	2	20.00	40.00
		Total	

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

9/15/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
90817-1995

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	17	35.00	595.00
TOTAL COLIFORM	1	30.00	30.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
48 gpd 50 psi pump	1	480.00	480.00
Hach dpd packet	1	15.99	15.99
SHIPPING		24.21	24.21
AUGUST 2009			
CORRECTED INVOICE SORRY USE THIS INVOICE			
Total			\$5,770.20

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

10/6/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
90918-1996

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	17	35.00	595.00
FECAL / ECOLI	17	40.00	680.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
SEPTEMBER 2009			
CORRECTED INVOICE			
Total			\$5,900.00

Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85366

Invoice

11/4/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
9274-51

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
DAILY FECAL COLIFORM	17	35.00	595.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME 10/27/09 MAIN LIFT STATION TRIPPED OUT DIAGNOSE PROBLEM TO PUMP #1 CONTACTOR, NOTICED LEVEL CONTROL NOT WORKING PROPERLY	1	80.00	80.00
OVERTIME 10/28/09 REPLACED LEVEL CONTROL PROBE, ORDER NEW CONTACTOR	1.5	80.00	120.00
			0.00
OCTOBER 2009			
CORRECTED INVOICE			
Total			\$5,420.00
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

SUNSTATE ENVIRONMENTAL SERVICES
 UTILITY MANAGEMENT
 4743 E. 30TH PLACE
 YUMA AZ 85365

Invoice

12/7/2009

LINKS AT COYOTE WASH
 JASON WILLIAMSON
 6825 E. TENNESSEE AVE ST.547
 DENVER, CO 80224

Invoice #
4033

P.O. No.			
Description	Quantity	Rate	Amount
CERTIFIED OPERATOR SERVICE		2,800.00	2,800.00
TOTAL COLIFORM	1	35.00	35.00
FECAL / ECOLI	17	40.00	680.00
METHANOL	3	250.00	750.00
FUEL DELIVERY UNIVAR		75.00	75.00
CHLORINE	4	200.00	800.00
TOTAL KJELDAHL NITROGEN	2	45.00	90.00
NITRATE	2	40.00	80.00
NITRITE MONITORING WELL	1	30.00	30.00
OVERTIME 11/09 replace contractor for pump #1 in main liftstation	1	80.00	80.00
OVERTIME 11/19 Blowers not working. Repaired burnt wires. Main breaker blew and would not reset	1	80.00	80.00
OVERTIME 11/20 Met with Specialty Electric & assisted them with repairs to blowers & breaker	1	80.00	80.00
NOVEMBER 2009			
CORRECTED INVOICE			
Total			\$5,580.00
Phone #	Fax #	E-mail	Web Site
928-341-9685	928-341-9196	SUNSTATEES@AOL.COM	WWW.SUNSTATEENVIRONMENTAL.COM

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
1/1/2009	31

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
257	Monthly Billing Fees - LACW	3.50	899.50
257	LACW Management Fees	6.50	1,670.50
		Total	\$2,570.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
2/2/2009	32

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
259	Monthly Billing Fees - LACW (January)	3.50	906.50
259	LACW Management Fees (January)	6.50	1,683.50
Total			\$2,590.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
2/28/2009	33

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
259	Monthly Billing Fees - LACW (February)	3.50	906.50
259	Management Fees (February)	6.50	1,683.50
1	Professional Services - Consulting (ADOSH & ACC responses)	185.00	185.00
		Total	\$2,775.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
3/30/2009	34

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
270	Monthly Billing Fees - LACW	3.50	945.00
270	LACW Management Fees	6.50	1,755.00
2.5	Compliance work with ADEQ & ACC during March	150.00	375.00
		Total	\$3,075.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
4/30/2009	36

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
262	Monthly Billing Fees - LACW	3.50	917.00
262	LACW Management Fees - April	6.50	1,703.00
Total			\$2,620.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
5/29/2009	37

Bill To
Links at Coyote Wash Utilities 6825 E Tennessee Ave Suite 547 Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
269	Monthly Billing Fees - LACW	3.50	941.50
269	LACW Management Fees	6.50	1,748.50
	025072794-CW deposit slips	46.19	46.19
	Total Reimbursable Expenses		46.19
	Markup	5.00%	2.31
	Total Reimbursable Expenses		48.50
		Total	\$2,738.50

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
6/25/2009	38

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
266	Monthly Billing Fees - LACW	3.50	931.00
266	LACW Management Fees	6.50	1,729.00
	short term loan to LACW to fund overdraft	215.00	215.00
	Total Reimbursable Expenses		215.00
	Markup	5.00%	10.75
	Total Reimbursable Expenses		225.75
5.25	Professional Services - Consulting (ADEQ amendment)	185.00	971.25
		Total	\$3,857.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
7/30/2009	39

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
266	Monthly Billing Fees - LACW	3.50	931.00
266	LACW Management Fees	6.50	1,729.00
2	Work with Andy Klakulak on geotechnical report for ADEQ amendment	165.00	330.00
Total			\$2,990.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
9/1/2009	40

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
268	Monthly Fee for Corporate Support and Management	6.50	1,742.00
268	Standard Monthly Billing fee for Utilities	3.50	938.00
		Total	\$2,680.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
9/29/2009	41

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
276	Monthly Fee for Corporate Support and Management	6.50	1,794.00
276	Standard Monthly Billing fee for Utilities	3.50	966.00
1.25	Professional Services - Sept. 4, 2009: Complete response letter for Don Bell, forward Hydro to ADEQ along with response, copy Spike/ Leonard (1.25 Hrs)	165.00	206.25
		Total	\$2,966.25

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
10/28/2009	42

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
271	Monthly Fee for Corporate Support and Management	6.50	1,761.50
271	Standard Monthly Billing fee for Utilities	3.50	948.50
1	Professional Services - Consulting	165.00	165.00
Total			\$2,875.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
11/25/2009	43

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
270	Monthly Fee for Corporate Support and Management	6.50	1,755.00
270	Standard Monthly Billing fee for Utilities	3.50	945.00
		Total	\$2,700.00

Pivotal Utility Management

6825 E Tennessee Ave Ste. 547
Denver, CO 80224

Invoice

Date	Invoice #
1/1/2010	44

Bill To

Links at Coyote Wash Utilities
6825 E Tennessee Ave Suite 547
Denver, CO 80224

PAID

P.O. No.	Terms	Project
	Net 15	

Quantity	Description	Rate	Amount
287	Monthly Fee for Corporate Support and Management - 12/09	6.50	1,865.50
287	Standard Monthly Billing fee for Utilities - 12/09	3.50	1,004.50
Total			\$2,870.00

EXHIBIT

B



Janice K. Brewer
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.azdeq.gov



Benjamin H. Grumbles
Director

September 28, 2010

Ms. Debby Kasztl, Administrator. Pivotal Management, LLC

RE: Compliance Status for Links @ Coyote Wash WWTP, Inventory number 105311.
Place Id: 18278, Permit number: 29198

Dear Ms. Kasztl;

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that Links @ Coyote Wash WWTP has Aquifer Protection Permit number 29198 issued on 3/22/2004.

The aquifer protection permits reporting requirements and monitoring results which have been submitted indicate the facility **is in compliance** based on the current information that is available to ADEQ. No enforcement actions are pending.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV

Northern Regional Office
1801 W. Route 66 • Suite 117 • Flagstaff, AZ 86001
(928) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

ORIGINAL

Pivotal Utility Management LLC

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2011 MAR -7 P 12: 58

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

MAR 7 2011

DOCKETED BY

[Signature]

Steve M. Olea
Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ 85007

Subject: Response to Staff Report for Links at Coyote Wash Utilities, LLC
Docket No. SW-04210A-10-0392

To Whom It May Concern:

This letter serves as the Company's response to the February 23, 2011 Staff Report ("Report") filed in the above-referenced matter. The Company agrees with all the recommendations provided for in the Report except one - the \$10,277 fine/penalty for not billing customers per the Commission approved tariff. First, the Staff Report is incorrect that "the only non-volumetric rate that the Company was authorized to charge was \$30 per customer per month." This non-volumetric rate applied only for residential customers. The tariff specifically states that each commercial customer will have a custom rate.

The confusion in the tariff is the result of the requirement that each commercial customer will have its own flow meter. It does not specify whether such a meter is a water flow meter or a sewer flow meter. One could easily infer, when reviewing the tariff-approved "Flow Meter Installation Charge" of \$100 that the type of flow meter referred to is a water meter. By contrast, if the tariff was referring to a sewer flow meter installed on each commercial service, such an application to measure actual sewer volume on these gravity lines in an accurate way would cost several thousands of dollars each.

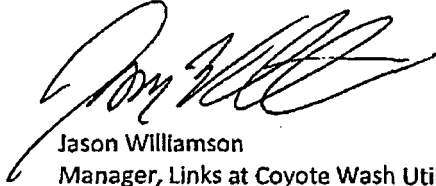
The Company does not deny that its billing practice for commercial customers was not entirely consistent with the tariff. However, due to the less than clear standards in the tariff, Company management felt that it should try and accurately calculate the sewer fee cost based on water use, which is consistent with how several municipalities and local providers charge for sewer service. The primary intent was to ensure that bills paid by a commercial customer most accurately reflect the cost of service. Staff now recommends that the Company continue using its methodology on a going forward basis. Therefore, Staff must have concluded that there was no harm to customers by using a system not consistent with the tariff (and in fact makes more sense). When considering the lack of clarity in the Tariff, and in the absence of harm to customers or any malicious intent to ignore the Commission, we feel that a fine as proposed would not be in the public interest. It represents about 5% of the total gross revenue requirement (assuming the proposed rates are approved), and would be a hardship to the Company.

While this is an important matter to the Company, we do not believe that a hearing is necessary in this proceeding. Again, we agree with all the other recommendations by Staff concerning rates and charges,

and a hearing in this matter will require the Company to incur additional costs. If staff remains rigid on recommending some fine based on past conduct, perhaps a reduced amount accompanied with an extended payment period would be appropriate. The manner in which we billed commercial customers was consistent with the notion of fairness to all our customers, and while we understand that we could have attempted to correct the tariff earlier, we did not have the resources to do so and felt that a rate proceeding such as this would clear the matter up.

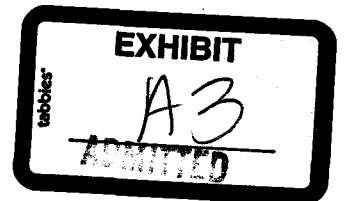
We request that Staff reconsider its recommendation to fine the Company \$10,227 in light of the facts and circumstances included in this response.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Williamson", is written over a horizontal line.

Jason Williamson
Manager, Links at Coyote Wash Utilities, LLC

Cc: Arizona Corporation Commission Docket Control



RECEIVED

2011 APR -5 P 12: 50

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

FENNEMORE CRAIG, P.C.
A Professional Corporation
Patrick J. Black (No. 017141)
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012
Telephone (602) 916-5000

Attorneys for The Links at Coyote Wash Utilities, LLC

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF THE LINKS AT
COYOTE WASH UTILITIES, LLC, FOR
APPROVAL OF A PERMANENT RATE
INCREASE.

DOCKET NO. SW-04210A-10-0392

**NOTICE OF FILING
DIRECT TESTIMONY**

The Links at Coyote Wash Utilities, LLC hereby submits this Notice of Filing

Direct Testimony in the above-referenced matter. Attached hereto as Exhibit A is the
Direct Testimony of Jason Williamson.

DATED this 5th day of April, 2011.

FENNEMORE CRAIG, P.C.

By

Patrick J. Black
3003 North Central Avenue
Suite 2600
Phoenix, Arizona 85012

1 ORIGINAL and 13 copies filed this
2 5th day of April, 2011, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 COPY hand-delivered this 5th day of April, 2011:

8 Sarah Harpring, ALJ
9 Hearing Division
10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ayesha Vohra, Esq.
14 Legal Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Gerald Becker
19 Utilities Division
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 By: W.M. McCreckin
24 2409667.1/016307.0001
25
26

EXHIBIT A

1 FENNEMORE CRAIG, P.C.
2 A Professional Corporation
3 Jay L. Shapiro (No. 014650)
4 Patrick J. Black (No. 017141)
5 3003 North Central Avenue
6 Suite 2600
7 Phoenix, Arizona 85012
8 Telephone (602) 916-5000

9 Attorneys for The Links at Coyote Wash Utilities, LLC

10 **BEFORE THE ARIZONA CORPORATION COMMISSION**

11 IN THE MATTER OF THE
12 APPLICATION OF THE LINKS AT
13 COYOTE WASH UTILITIES, LLC, FOR
14 APPROVAL OF A PERMANENT RATE
15 INCREASE.

DOCKET NO. SW-04210A-10-0392

16 **DIRECT TESTIMONY OF**

17 **JASON WILLIAMSON**

18 **April 5, 2011**

1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY.**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Jason Williamson and my business address is 6825 E. Tennessee
4 Avenue, Suite 547, Denver Co 80224.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

6 A. On behalf of The Links at Coyote Wash Utilities, LLC ("Links" or "Company").

7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am the Manager of Pivotal Utility Management, LLC (hereinafter, "Pivotal").
9 Pivotal manages and/ or operates a total of ten water and sewer utilities, nine of
10 which are in Arizona, seven of those regulated by the Commission. One water and
11 sewer utility is located in Missouri, and the other two referenced sewer systems in
12 Arizona are owned by HOAs, which Pivotal manages and operates under contract.

13 I have been managing wastewater and water utility companies for over eleven
14 years, and have been in the water and sewer business for eighteen years.

15 **Q. PLEASE SUMMARIZE YOUR RESPONSIBILITIES IN THESE**
16 **POSITIONS?**

17 A. I oversee the day-to-day operations and business management functions for
18 Pivotal, including providing contract management services for a number of water
19 and sewer system operations. More details about my duties are listed in my
20 resume, attached hereto as Exhibit 1.

21 **Q. WHAT IS YOUR EDUCATIONAL AND EMPLOYMENT BACKGROUND**
22 **BEFORE WORKING FOR PIVOTAL UTILITY MANAGEMENT?**

23 A. I received a Bachelor of Arts degree in International Affairs in 1993, and a Masters
24 of Business Administration in 1998 from the University of Colorado. While
25 pursuing my master's degree, I worked for Santec Corporation as a project
26 manager, hiring manager and director of marketing.

1 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

2 A. Yes, for several of the water and wastewater utilities I manage.

3 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS
4 DOCKET?

5 A. To support the Company's application for rate relief and address issues as required
6 by the March 9, 2011 Procedural Order. These issues include: (i) allegations
7 concerning noxious odors from Links' existing wastewater treatment facility
8 (WWTP), (ii) allegations concerning free dumping of waste from RVs at a
9 commercial center and how that increased demand should be addressed in rates
10 paid by the commercial customer, (iii) alleged assurances to customers that rates
11 would not increase, (iv) how the proposed and recommended commercial rate
12 methodology works in practice and what monthly rates result from it, (v) an
13 agreement between Links and a commercial customer for a flat \$125.00 monthly
14 fee, and (vi) Staff's recommended fine included in its February 23, 2011 Report.

15 II. ISSUES RAISED BY CUSTOMERS AND COMMISSION STAFF.

16 Q. MR. WILLIAMSON, HAVE YOU READ THE CUSTOMER COMMENTS
17 SUBMITTED TO THE COMMISSION IN THIS DOCKET?

18 A. Yes.

19 A. Odor Issues

20 Q. WOULD YOU PLEASE FIRST ADDRESS THE ALLEGATIONS
21 CONCERNING ODOR EMANATING FROM THE COMPANY'S WWTP?

22 A. With any wastewater treatment facility, there will be some ambient odors produced
23 in the treatment of sewage despite being equipped with odor controlling devices.
24 Each time I have visited the facility, I have not detected an odor issue. However, I
25 would note the area and topography around the Company's service area is
26 relatively flat, and there is a large cattle farm operation located approximate five

1 (5) miles away that produces noxious odors.

2 Q. THERE IS A CATTLE FACILITY LOCATED ONLY FIVE MILES
3 AWAY?

4 A. Yes, it is called JBS 5 Cattle Feeding. JBS has operations to feed approximately
5 130,000 head of cattle on approximately 1500 to 2000 acres of land. I believe that
6 with the relatively flat topography and seasonal winds, odor from the cattle farm
7 can be mistaken for odor from the wastewater treatment plant. As I stated earlier,
8 the cattle operations might not be the cause of odor in the area in all instances, but I
9 think its presence nearby certainly provides a reasonable explanation as to why
10 some customers smell odors at certain times.

11 Q. HAS THE COMPANY RECEIVED ODOR COMPLAINTS IN THE PAST?

12 A. Based on phone calls to our office, and according to the local operators, odor
13 complaints have been few and far between. Nonetheless, I have instructed the
14 plant operator to be sensitive to any odor complaint, and to respond immediately to
15 see if we can identify the source at the time of the complaint. We have also asked
16 anyone who expresses an odor complaint to keep a log of the odors, including
17 times and dates, to assist us in identifying their source. To date, we have not
18 received any follow up from the few customers who we have requested to keep
19 such a log. In the event there is an odor problem resulting from WWTP operations,
20 it is something we have been and will continue to proactively address.

21 B. Dumping of Waste by RVs at Commercial Center

22 Q. ARE YOU AWARE OF THE ISSUE RAISED CONCERNING THE FREE
23 WASTE DISPOSAL BY RECREATIONAL VEHICLES AT A
24 COMMERCIAL CUSTOMER'S PROPERTY?

25 A. Yes. This commercial property involves a Chevron gas station. During the winter
26 months between November and March, several outdoor enthusiasts visit the Yuma

1 area. A majority of these visitors bring RVs and other land vehicles (dune buggies,
2 etc.) with them. Beginning in 2008, the owner of the Chevron station began
3 advertising 'free' waste disposal (as well as free water) for RVs as a means to
4 generate business.

5 **Q. HOW MUCH FREE WASTE DISPOSAL SERVICE DOES THE COMPANY**
6 **ESTIMATE IS BEING PROVIDED ON AN ANNUAL BASIS?**

7 A. Based on information provided by the owner, approximately 20,000 to 25,000
8 gallons of effluent annually.

9 **Q. AND HOW DID THE COMPANY OBTAIN THIS INFORMATION?**

10 A. These estimates are based on information provided from the Chevron management.
11 There is an affiliate relationship between the Company and the owner of the
12 Chevron gas station. They are essentially owned by the same corporate entity.

13 **Q. DOES THAT PRESENT AN ISSUE WITH RESPECT TO THE PAYMENT**
14 **FOR WASTEWATER UTILITY SERVICES?**

15 A. Because all commercial customers (except one) were being charged using the same
16 methodology to calculate flow in light of the absence of flow meters, there did not
17 seem to be an issue. There appears to be a correlation between the dumping of
18 waste and the use of the free water to fill the storage tanks of the RV's. In other
19 words, since the tariff for commercial customers is based on water usage, and since
20 it has been reported to us that the vast majority of RV's who are dumping also take
21 advantage of the free water to fill their reservoirs, at least some proportion of dump
22 volume is being reflected in the charges to the Chevron Station.

23 **Q. HOW DOES THE COMPANY PROPOSE TO ADDRESS THIS SITUATION**
24 **IF THE COMMISSION APPROVES THE CURRENT METHODOLOGY?**

25 A. The Company believes that the tariff proposed by the Company and supported by
26 Commission Staff provides some recognition of the sewage use; however, we are

1 open to considering a special tariff specific to this customer in the event Staff
2 believes that such a tariff would be more appropriate.

3 **C. Allegations Concerning No Increase in Rates.**

4 **Q. HAVE YOU READ THE ALLEGATIONS FROM CUSTOMERS STATING**
5 **THAT WHEN THEY BOUGHT THEIR PROPERTIES, THEY WERE**
6 **TOLD THERE WOULD BE NO RATE INCREASE?**

7 A. Yes, I have read those statements and followed up directly with the Company. As
8 the Commission is aware, the Company was formed to provide wastewater service
9 to the Links at Coyote Wash Units I, II, III and IV subdivisions.

10 **Q. DID THE DEVELOPER SELL LOTS WITHIN THE SUBDIVISION?**

11 A. Yes.

12 **Q. AND DOES THE DEVELOPER CONTINUE TO SELL LOTS?**

13 A. Yes. The developer is an entity named G12, LLC. I understand that statements
14 concerning utility rates by salespersons related to both water and electric rates.
15 Links customers receive electricity from the Wellton Mohawk Irrigation District,
16 which electric rates are lower than those charged by Arizona Public Service
17 Company, another service provider in the area. Likewise, the Company's
18 customers receive wastewater utility rates that are lower than those in surrounding
19 communities, including those served by Far West Water & Sewer. Based on the
20 affidavits attached hereto as Exhibit 2, it appears that several salespersons
21 indicated to prospective buyers that water and electric rates would not increase to
22 levels at or above those of other providers.

23 **Q. BUT IS IT POSSIBLE THAT ONE OR MORE OF THE ALLEGATIONS**
24 **CONCERNING A MORATORIUM ON RATE INCREASES ARE TRUE?**

25 A. Because I was not present, I cannot personally attest to what salespersons related to
26 customers as the initial transactions were made and lots were sold within the

1 subdivision. However, I do think it is probable that statements regarding utility
2 rates were misconstrued by customers. From a practical standpoint, a utility cannot
3 freeze rates in the face of increased costs and declining revenue. And by filing for
4 a rate increase in the manner the Company did (form application for smaller
5 company), we were looking to do so at the least possible cost for the benefit of
6 ratepayers.

7 **D. Methodology for Calculating Commercial Rate and Results**

8 **Q. DID THE COMPANY PROPOSE A NEW METHODOLOGY FOR**
9 **CALCULATING COMMERCIAL CUSTOMER RATES?**

10 **A.** Yes, we proposed using the same method currently being used. Because installing
11 a flow meter for each commercial customer is a very expensive proposition, we
12 believe that using a method employed by municipalities and authorized by the
13 Arizona Department of Environmental Quality (ADEQ) more accurately reflects
14 costs based on water use. As noted in the Staff Report, we use a factor of .85 per
15 gallon of water used in calculating wastewater flow. We receive water use
16 numbers from the City of Wellton. Dividing .85 by the average number of days in
17 a month results in a factor of .028333, which is divided by 262 gallons (the SFE
18 conversion result equals .0001081), and then multiply by 30 to convert it to a tariff
19 rate. This results in an overall factor of .00324 multiplied by the actual water use
20 read and received each month per customer.

21 **A. AND DOES STAFF APPROVE OF THIS METHODOLOGY?**

22 **Q.** Yes, in fact Commission Staff recommends its continued use. However, the tariff
23 needs to be changed to authorize the use of this way of calculating a commercial
24 customer's rates going forward.

25 **Q. WHAT ARE THE RESULTS OF USING THIS METHODLOGY?**

26 **A.** It would accurately reflect the cost of service for commercial customers, and also

1 result in a percentage increase (as a result of this rate filing) equal to the percentage
2 increase in residential rates.

3 **E. Single Customer Flat Rate - \$125.00 Month**

4 **Q. CAN YOU PROVIDE BACKGROUND INFORMATION CONCERNING**
5 **THE SINGLE CUSTOMER BEING CHARGED A FLAT RATE OF \$125.00**
6 **PER MONTH?**

7 **A.** Yes. The commercial customer we are speaking about is the golf course
8 clubhouse. Because wastewater rates were being charged based on water use, the
9 Company felt that such a methodology would not accurately reflect the cost of
10 service for this one particular customer due to irrigation watering. The City of
11 Wellton provided water service to this customer through one (1) meter that
12 calculated both domestic water use and irrigation use. Recently we learned that at
13 the end of 2009, as a means of controlling costs and due to a change in the golf
14 course's management, the golf course substantially reduced its use of irrigation
15 water from this particular water meter.

16 **Q. DOES THE COMPANY AGREE WITH STAFF'S RECOMMENDATION**
17 **TO REQUIRE THE GOLF COURSE TO PAY PURSUANT TO THE SAME**
18 **METHODOLOGY AS CALCULATED FOR OTHER COMMERCIAL**
19 **CUSTOMERS?**

20 **A.** Definitely. In fact, the Company has already changed the tariff methodology used
21 for this particular customer back to the tariff currently being charged to all of the
22 other commercial customers. The Company believes that it is fair and beneficial to
23 all ratepayers to have the golf course retroactively pay for rates that would have
24 applied. Consequently, the Company has billed this customer retroactively for the
25 difference between what would have been billed had the tariff been applied
26 consistently with other commercial customers, and the fixed fee that was actually

1 billed. A bill in the amount of \$652.76 will be sent, reflecting this difference going
2 back to the approximate date the change was made by the Golf Course's
3 management to reduce/eliminate the use of fresh water for irrigation (December,
4 2009). Again, we have notified Commission Staff about this and look forward to
5 its recommendations.

6 **F. Staff's Recommended Fine of \$10,227 For Billing Practices.**

7 **Q. DID YOU READ THE FEBRUARY 23, 2011 STAFF REPORT FILED IN**
8 **THIS MATTER?**

9 **A.** Yes I did. Company President Glen T. Curtis also reviewed the report.

10 **Q. WHAT IS THE COMPANY'S POSITION WITH RESPECT TO STAFF'S**
11 **RECOMMENDATIONS THEREIN?**

12 **A.** The Company agrees with all of Staff's recommendations except one - the payment
13 of a \$10,227 fine for not following the existing tariff for billing commercial
14 customers. We understand that Staff's recommendations with respect to revenue
15 requirement, operating expenses and rate design might require modification based
16 on the issues related to the one commercial customer providing 'free' waste
17 disposal, and the one customer paying a flat fee of \$125.00 per month, the
18 Company reserves the right to change its testimony based on a review of any
19 subsequent filings by Staff. However, the Company believes that payment of a
20 \$10,227 fine - which is approximately twenty (20) percent of its yearly operating
21 expenses - does not benefit the Company or its ratepayers.

22 **Q. DO YOU BELIEVE THE REASONS PROVIDED BY STAFF FOR**
23 **RECOMMENDING THE FINE HAVE MERIT?**

24 **A.** There is no debate that the Company's existing billing practices for commercial
25 customers is out of compliance with the existing tariff. However, this deviation
26 from the billing requirements set forth in the tariff was the result of practicality.

1 The installation of the flow meters needed to comply with the tariff would not be
2 cost-effective to commercial customers. Indeed, this is likely one reason Staff
3 chose to recommend the continued use of the methodology being utilized at this
4 time. In addition, the practice adopted by the Company was consistent with what
5 was being charged in surrounding municipalities and other utility providers,
6 sanctioned by ADEQ. I realize that the Company should have sought a revision to
7 its tariff, approved by the Commission, to reflect these practicalities. Nonetheless,
8 we believed at the time that employing this methodology used more accurately
9 reflected costs of service, and that the matter would be addressed in the next rate
10 proceeding.

11 **Q. WHAT ABOUT THE FACT THAT THE RATE CASE WAS FILED**
12 **ALMOST A YEAR AFTER THE DEADLINE ESTABLISHED IN**
13 **COMMISSION DECISION NO. 67157?**

14 **A.** This was an administrative oversight, which I sought to quickly correct once we
15 were reminded of the deadline.

16 **Q. WHAT ABOUT THE COMPANY PRIOR ACTIONS OF CONNECTING**
17 **CUSTOMERS WITHOUT HAVING OBTAINED A VALID CERTIFICATE**
18 **OF CONVENIENCE AND NECESSITY?**

19 **A.** This was an unfortunate incident, but the Company has already been punished and
20 paid penalties for being out of compliance with the ACC's rules and regulations.
21 For instance, it was required to pay a fine of \$500 per service connection installed
22 prior to obtaining its CEC.

23 **Q. YOU WOULD AGREE, MR. WILLIAMSON, THAT THE COMPANY'S**
24 **RECORD HAS NOT BEEN STELLAR IN COMPLIANCE WITH THE**
25 **COMMISSION'S PRIOR RATE ORDER, RULES AND REGULATIONS?**

26 **A.** I would agree. But issuing a fine in an amount that represents over 20 percent of

1 the Company's annual operating expense will materially affect its ability to provide
2 wastewater utility service by removing funds that could be used to make repairs,
3 maintain the system and purchase material necessary to operate the WWTP in a
4 safe manner.

5 **Q. DO YOU HAVE ANY SUGGESTIONS ON HOW THE COMMISSION**
6 **MIGHT ENSURE THAT THE COMPANY IS COMPLYING WITH ITS**
7 **TARIFF AND COMMISSION ORDERS SHORT OF A FINE?**

8 A. I believe that providing periodic status reports (bi-annually or annually) regarding
9 the Company's operations – including any issues that might relate to odor
10 complaints – would be more equitable to the Company and its ratepayers.
11 Alternatively, the Company is open to proposals that would have a direct benefit to
12 ratepayers, such as a credit (over time) to monthly bills.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.

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EXHIBIT 1

6825 E TENNESSEE AVE SUITE 547 • DENVER, CO 80224
PHONE (720) 260-0531 • E-MAIL JW@PIVOTALCOMPANIES.COM

JASON WILLIAMSON

EMPLOYMENT

1999 - Present Pivotal Utility Management, LLC Denver, CO
Managing Partner, President

- Provide contract management services for water and sewer system operations (using local certified subcontractors) at eleven locations in Arizona and Missouri. Duties include regular site visits to locations and on-site reviews of operation performance and regulatory compliance.
- Supervise billing and customer support services to nearly 4,000 sewer and water utility customers in six different locations in Arizona.
- Provide and oversee accounting, bookkeeping, and financial reporting functions for six regulated utility companies (using NARUC accounting).
- Supervise regulatory compliance monitoring, ensuring permit compliance with laboratory reporting schedules for multiple environmental permits at locations in Arizona and in Missouri.
- Provide rate-case support and tariff design for new and existing investor-owned utilities (including testifying in cases before the Arizona Corporation Commission).
- Provide lead in corporate support services, including maintenance of corporation books and minutes, holding and leading regular meetings of boards and shareholders, and regular financial reporting/ budgeting.
- Worked with officials from State of Missouri's Public Service Commission to establish and provide a court-appointed "Receiver" for a small, distressed water and sewer utility company in central Missouri.
- Organized and established new company providing full range of services designed for small water/ sewer utility companies, and special districts.
- Consulted with land developers on water and sewer aspects of the entitlement process, including establishment of new regulated utilities. Focus was to maintain timeframes for obtaining regulatory approvals while implementing creative financing approaches to reduce capital expense and pace infrastructure spending with development demand.

1993 - 1999 Santec Corporation, Inc. Castle Rock, CO
Project Manager, Hiring Manager, Director of Marketing, Business Development

- Direct Sales of Wastewater Treatment Equipment and Design Services to the development and engineering industries.
- In project management role, worked with customers to obtain state and federal regulatory approvals of treatment equipment designs.
- Hired company staff, including engineers and sales professionals, and provided supervision and training for new staff.

- Designed and implemented marketing strategies that successfully expanded Santec's footprint by five new states during tenure.
- Worked with company owners to re-engineer business processes and service offerings to better meet customer demands.

OTHER UTILITY COMPANY POSITIONS (AT PRESENT)

- 1997 - Present: Verde Santa Fe Wastewater Company, Inc.; Cottonwood, AZ; Shareholder, President, Director
- 2005 - Present: Coronado Utilities, Inc.; San Manuel, AZ; Shareholder, President, Director
- 2003 - Present: Pine Meadows Utilities, LLC; Payson, AZ; Member, President
- 2003 - Present: Bensch Ranch Utilities, LLC; Dewey, AZ; Member, President

EDUCATION

- | | | |
|-----------------------------|--|-------------|
| 1989 - 1993 | University of Colorado | Boulder, CO |
| | <i>Bachelor of Arts</i> | |
| ■ Major - | International Affairs/ Minor - Economics | |
| 1996 - 1998 | University of Colorado | Denver, CO |
| | <i>Master of Business Administration</i> | |
| ■ Achieved while working in | Castle Rock Full-Time | |

REFERENCES

- Joshua J. Meyer - Arizona Real Estate Attorney & Former Partner: Ph: (928) 580-5522; 12155 Calle Entrada; Yuma, AZ 85367
- Pat Carpenter - Contractor and Certified Water & Sewer Operator: Ph: (928) 606-0498; P.O. Box 264; Williams, AZ 86046
- Bob Dodds - Vice President, Service Delivery - Algonquin Water Services: Ph: (905) 465-4523; 12725 W. Indian School Rd.; Avondale, AZ 85323
- Gerald Brunskill - Manager of Closure Operations - BHP Billiton (BHP is preferred shareholder in Coronado Utilities); Ph: (520) 385-3241; P.O. Box M; San Manuel, AZ 85631
- Bud Carr - Owner/ President of Rainbow Parks (Pivotal is manager/ operator of Water/ Sewer systems in Congress, AZ); Ph: (936) 328-3727; 100 Rainbow Dr.; Livingston, TX 77351
- Gary Martinson - President of Bison Homes (developer of Bison Ranch WWTP, Heber, AZ - Pivotal is operator); Ph: (602) 837-8700; 16927 E Saguaro Blvd.; Fountain Hills, AZ 85268

EXHIBIT 2

AFFIDAVIT OF Glen T. Curtis

Glen T. Curtis, being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.

2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.


[NAME] GLEN T. CURTIS

SUBSCRIBED and sworn to before me this 1st day of April, 2011.


Notary Public

My Commission Expires:

10/02/2013



AFFIDAVIT OF Chris Cleary


Chris Cleary, being duly sworn, deposes and says:

1. I am a resident of Yuma County, over 18 years of age, and make this affidavit based on my own personal knowledge.


2. During the period of 2003 to present, I sold lots located within the Links at Coyote Wash subdivision near Yuma, Arizona.

3. Whenever speaking to prospective buyers, I provided information concerning utility rates for both water and electric service. The water and electric utility rates for residents within the Links at Coyote Wash subdivisions are lower when compared to others in the surrounding community (i.e. Far West Water & Sewer Company or Arizona Public Service Company).

4. At no time did I ever tell a prospective buyer for property within the Links at Coyote Wash subdivision that water or electric utility rates would never increase.


[NAME] Chris Cleary

SUBSCRIBED and sworn to before me this 18th day of April, 2011.


Notary Public

My Commission Expires:

10/02/2013



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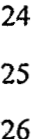
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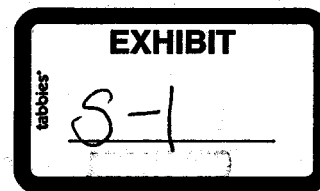
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MEMORANDUM

RECEIVED

2011 FEB 23 P 3:47

AZ CORP COMMISSION
DOCKET CONTROL

TO: Docket Control Center

FROM: Steven M. Olea
Director
Utilities Division

DATE: February 23, 2011

RE: STAFF REPORT FOR THE LINKS AT COYOTE WASH UTILITIES, LLC
APPLICATION FOR APPROVAL OF A PERMANENT RATE INCREASE.
(DOCKET NO. SW-04210A-10-0392)

Attached is the Staff Report for The Links at Coyote Wash Utilities, LLC application for approval of a permanent rate increase. Staff recommends approval of the rate increase using Staff's recommended rates and charges.

Any party who wishes may file comments to the Staff Report with the Commission's Docket Control by 4:00 p.m. on or before March 7, 2011.

SMO:GWB:tdp

Originator: Gerald W. Becker

RECEIVED

23 2011

CAL DIV.
ATION COMMISSION

Service List for: THE LINKS AT COYOTE WASH UTILITIES, LLC
Docket No. SW-04210A-10-0392

The Links at Coyote Wash Utilities, LLC
C/O Pivotal Utility Management
6825 E Tennessee Avenue, Suite 547
Denver, CO 80224

**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

THE LINKS AT COYOTE WASH UTILITIES, LLC

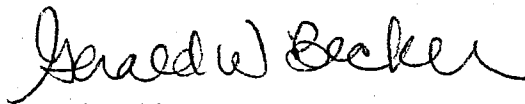
DOCKET NO. SW-04210A-10-0392

APPLICATION FOR A PERMANENT RATE INCREASE

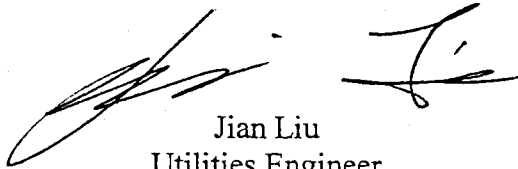
FEBRUARY 23, 2011

STAFF ACKNOWLEDGMENT

The Staff Report for The Links at Coyote Wash Utilities, LLC, Docket No. SW-04210A-10-0392, was the responsibility of the Staff members listed below. Gerald W. Becker was responsible for the review and analysis of the Company's application, recommended revenue requirements, rate base and rate design. Jian Liu was responsible for the engineering and technical analysis. Guadalupe Ortiz was responsible for reviewing the Commission's records on the Company, determining compliance with Commission policies/rules and reviewing customer complaints filed with the Commission.



Gerald W. Becker
Public Utilities Analyst V



Jian Liu
Utilities Engineer



Guadalupe Ortiz
Public Utilities Consumer I

EXECUTIVE SUMMARY
THE LINKS AT COYOTE WASH UTILITIES, LLC
APPLICATION FOR A PERMANENT RATE INCREASE
DOCKET NO. SW-04210A-10-0392

The Links at Coyote Wash Utilities, LLC ("LACW" or "Company") is an Arizona Limited Liability Company ("LLC") engaged in the business of providing wastewater service to approximately 287 customers in the Town of Wellton, in Yuma County, Arizona. One of these customers serves 80 homeowners. The Company's current rates were effective August 10, 2004, per Decision No. 67157.

The Company proposes total operating revenue of \$214,928, an increase of \$60,000, or 38.73 percent over test year revenue of \$154,928, resulting in a return on rate base of 10.45 percent. Staff recommends total operating revenue of \$214,719, an increase of \$51,271, or 31.36 percent over the Staff-adjusted test year revenue of \$163,448, resulting in a return on rate base of 10.00 percent. The Company's proposed revenues result in an operating income of \$53,794. Staff's recommended revenues result in an operating income of \$52,564.

The Company has proposed an original cost rate base ("OCRB") of \$514,731. The Company's proposed rates would increase all residential bills from \$30.00 to \$41.60, an increase of \$11.60 or 38.7 percent.

Staff has recommended an OCRB of \$525,640. Staff's recommended rates would increase all residential bills from \$30.00 to \$38.99, for an increase of \$8.99 or 30.0 percent.

Staff Recommendations:

Staff recommends approval of the Staff proposed rates and charges as shown in Schedule GWB-4.

Staff further recommends that the Company be ordered to file with Docket Control, as a compliance item in this Docket, a tariff schedule of its new rates and charges within 30 days after the effective date of the Decision in this proceeding.

Staff further recommends that the Company adopt the typical and customary depreciation rates as delineated on Table G-1 of the attached Engineering Report.

Staff further recommends that the Commission levy a fine of \$10,227 against the Company for billing practices that are not in compliance with its existing tariff.

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SCHEDULES

Summary of Filing	Schedule GWB-1
Rate Base	Schedule GWB-2
Statement of Operating Income	Schedule GWB-3
Rate Design.....	Schedule GWB-4

ATTACHMENTS

Engineering Report	Exhibit A
Consumer Services Memo	Exhibit B

FACT SHEET

Current Rates:

Decision No. 67157, dated August 10, 2004, an application for a CC&N.

Type of Ownership:

Arizona Limited Liability Company.

Location:

The Company serves 269 residential and 18 commercial customers in Wellton, Arizona.

Rates:

Permanent rate increase application filed: September 23, 2010, and amended December 3, 2010;
and Letter of Sufficiency sent December 9, 2010.

Current Test Year Ended: December 31, 2009.

	Company Current Rates	(As Amended) Company Proposed Rates	Staff Recommended Rates
<u>Monthly Minimum Charge</u>			
Residential	\$30.00	\$41.60	\$38.99
Commercial	\$0.00	\$0.00	\$0.00
<u>Commodity Charge</u>			
Residential	N/A	N/A	N/A
Commercial (See Notes)	*	**	***
<u>Bill Impact</u>			
All residential bills:			
Flat Rate	\$30.00	\$41.60	\$38.99

*Note: Each Commercial Customer is required to have its own flow meter. The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate of the commercial customer. One SFE is equal to 262 gallons per day (the approved design flow rate per single family unit by ADEQ). The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.

****Note:** The Company is not following its established tariff. The Company representative states: "With respect to the commercial sewer tariff calculation, we use a factor of .00324 per gallon. We receive the water use numbers from the City (Town) of Wellton for the commercial customers monthly. While I think the initial intent was to install sewer flow meters at each location, such an apparatus was never installed by the developer, owner or customer, nor do I think if they did install a sewer line flow meter would it be very accurate. To adjust for sewer flow relative to water use, we use a factor of .85 (i.e. on average 85 percent of water delivered to these customers will make it into the sewer system). I believe this factor came from the city of Yuma. One gallon therefore becomes .85 gallon. Then we divide that number by 30 days (since the usage numbers we get are monthly) to bring us to .028333, then dividing again by 262 gal (the SFE conversion result = .0001081) then multiply by 30 to convert to the tariff rate. The final result is .00324 which is then multiplied by the actual water use read we receive each month."

In addition, the Company has one customer being charged a flat rate of \$125.00 per month, per mutual agreement between the customer and Company. The \$125.00 monthly rate is not provided for in the Company's tariff.

*****Note:** The Company proposes to continue with its existing billing protocol for its commercial customers and Staff concurs. The tariff to be filed as a result of this proceeding will have to reflect this or any other changes approved as a result of this proceeding.

Customers:

There were 287 customers in the current test year. The Company does not expect any significant growth.

Notification:

Customer Notification was mailed October 1, 2010.

Complaints:

2008-2010 – Zero complaints

2010 – 43 Opinions opposed to the rate increase

SUMMARY OF FILING

The test year results, as adjusted by Utilities Division Staff ("Staff") of the Arizona Corporation Commission ("Commission"), show that The Links at Coyote Wash Utilities, LLC ("LACW" or "Company") experienced an operating income of \$1,293 and a negligible rate of return, as shown in Schedule GWB-1.

The Company-proposed rates, as amended, produce operating revenues of \$214,928 and an operating income of \$53,794 for a 10.45 percent rate of return on a \$514,731 rate base. The Company's requested rates would increase the residential bill from \$30.00 to \$41.60 for an increase of \$11.60, or 38.7 percent.

Staff's recommended rates produce operating revenues of \$214,719 and an operating income of \$52,564 for a 10.00 percent rate of return on a Staff-adjusted rate base of \$525,640. Staff's recommended rates would increase the residential bill from \$30.00 to \$38.99 for an increase of \$8.99, or 30.0 percent.

BACKGROUND

On September 23, 2010, the Company filed an application for a permanent rate increase and amended its application on December 3, 2010. On December 9, 2010, Staff issued its Letter of Sufficiency.

CONSUMER SERVICES

A review of the Commission's records revealed zero customer complaints and inquiries for the years 2008 through 2010. There were 43 opinions filed regarding the proposed rate increase – all are opposed.

COMPLIANCE

A check with the Utilities Division Compliance Section showed the Company has two outstanding items. Staff is processing an extension request on those items but they remain delinquent until further order of the Commission. Both of these items arose in Docket No. SW-04210A-06-0220, which granted the Company an extension of its certificated territory on December 21, 2006. The first outstanding compliance item requires the Company to file, within 2 years of the effective date of Decision 69209, or by December 21, 2008, copies of the Approval of Construction ("AOC") documentation for the collection line installations needed to serve the extension area. The second compliance item requires that the Company file, by December 31, 2008, with Docket Control, as a compliance item in this docket, a copy of ADEQ's Aquifer Protection Permit ("APP") modification.

On March 31, 2009, the Company docketed a "motion for extension of time" seeking an extension of time until August 31, 2010, for the provision of the AOC and a copy of the APP modification. Staff filed its response on May 19, 2009, recommending approval of the Company's requested extension of time. On June 30, 2009, the Commission issued Decision No. 71189 which approved the Company's request for an extension of time until August 31, 2010 for the filing of the AOC and APP modification.

On September 8, 2010, the Company submitted an updated request for service from the developer in order for Staff to process the new extension of time. Staff has now processed the current request and has recommended a new due date of August 31, 2012, to the Commission for the provision of the AOC and APP filings. Staff further recommended that no further extensions of time be granted in that matter and since the requests for time extension were filed after the Commission's due date, Staff recommends that the Commission deny any future extension requests from the Company if they are filed after existing due dates. The Commission has not yet issued a decision on this issue.

The Company is current in its property and sales tax payments.

The Company is in good standing with the Corporations Division of the Commission.

The Company has not followed its tariff in billing its commercial customers, as discussed later in this Report.

ENGINEERING ANALYSIS

The Staff Engineering Report is attached. There are two engineering recommendations included in the Staff Recommendations section. The first recommendation relates to Staff-recommended depreciation rates in this proceeding. The second recommendation relates to annual water testing expenses, the amount of which is reflected in Staff's financial review of the application for the rate increase.

RATE BASE

Staff recommends six adjustments that in aggregate increase the Company's proposed rate base by \$10,909, from \$514,731 to \$525,640, as shown in Schedule GWB-2, page 1. Details of Staff's adjustments are presented below.

Plant in Service

Staff decreased plant in service by \$30,009, from \$647,724 to \$617,715, as shown in Schedule GWB-2, Page 1, Adjustment A. Staff's adjustment is to remove \$17,394 of legal expenses inappropriately capitalized in 2006 in Account 361, Collection Sewers-Gravity and to remove \$12,615 from account 380, Treatment and Disposal Equipment. The \$12,615 includes \$10,000 for paid in capital erroneously capitalized in 2006, \$1,484 of unsupported costs in 2007, and \$1,131 of unsupported costs in 2009.

Accumulated Depreciation

Staff decreased accumulated depreciation by \$24,209, from \$114,100 to \$89,891, as shown in Schedule GWB-2, Page 1, Adjustment B. Staff's adjustment re-calculates the accumulated depreciation, using the depreciation rates approved in the CC&N granted in Decision No. 67157, and applying those rates to Staff's recommended plant balances in this proceeding.

Plant Advances in Aid of Construction ("AIAC") and Contributions in Aid of Construction ("CIAC")

Staff decreases AIAC by \$15,000, from \$15,000 to zero, as shown in Schedule GWB-2, Page 1, Adjustment C. Adjustment C also increases CIAC by \$15,000, from zero to \$15,000. These adjustments reclassify monies, from AIAC to CIAC, for projects that have been cancelled and for which there will be no future refunds.

Accumulated Amortization-Contributions in Aid of Construction ("CIAC")

Staff increases accumulated amortization-CIAC by \$882, from zero to \$882, as shown in Schedule GWB-2, Page 1, Adjustment D. Based on discussions with Company personnel, Staff recommends two years of accumulated amortization to reflect the approximate time elapsed since the Company became aware that the AIAC-related projects, as discussed above, were cancelled and the associated AIAC should have been reclassified as CIAC.

Working Capital

Staff increased the working capital allowance by \$15,827, from zero to \$15,827, using the formula method to reflect adjustments to cash operating expenses as shown in Schedule GWB-2, Page 1, Adjustment E. Adjustment E shows the total increase by components, 1/24 of Power and 1/8 of Operating and Maintenance Expenses.

Operating Income

Staff recommends five adjustments that, in aggregate, decrease the test year operating loss by \$7,499, from the Company's proposed \$6,206 loss to an income of \$1,293, as shown in Schedule GWB-3, Page 1. The reduction in operating loss is the result of Staff's adjustments to increase test year income by \$8,520, from \$154,928 to \$163,448, and to increase operating expenses by \$1,021, from \$161,134 to \$162,155. Details of Staff's adjustments are presented below.

Operating Income

Flat Rate Revenue – Adjustment A increases this account by \$8,520, from \$115,769 to \$124,289, to reflect customer annualization of \$7,200 for growth during the test year, and to reverse a \$1,320 reduction recorded by the Company in the test year for activity that occurred partially outside of the test year and that is not expected to re-occur.

Operating Expenses

Outside Services – Adjustment B decreases this account by \$5,691, from \$46,985 to \$41,294, to reflect normalized expenses experienced by the Company for the three years ending with the test year. (See Schedule GWB-3, Page 1)

Water Testing – Adjustment C increases this account by \$514, from \$11,026 to \$11,540, to reflect Staff's determination of the Company's annual water testing cost (see Schedule GWB-3, Page 1)

Bad Debt Expense – Adjustment D increases this account by \$8,347, from zero to \$8,347, to reflect Bad Debt Expense that the Company had reported as Non-Utility Expense and, therefore, was not reflected in Operating Expenses or Operating Income. (See Schedule GWB-3, Page 1). The Bad Debt Expense is 5.1 percent of Staff-adjusted test year revenue and is unusually high due to the fact that the Company has limited recourse against delinquent customers because the Company has not been able to reach a co-operative agreement with the customers' water supplier, the Town of Wellton.

Depreciation Expense – Adjustment E decreases this account by \$2,149, from \$19,506 to \$17,357, to reflect application of Staff's recommended depreciation rates to Staff's recommended plant balances, less any fully-depreciated or non-depreciable plant, and less amortization of CIAC. The calculation of Staff's recommended depreciation expense is shown in Schedule GWB-3, Page 3, and the corresponding adjustment is shown in Schedule GWB-3, Page 1.

REVENUE REQUIREMENT

Staff recommends total revenue of \$214,719 and is based on the amount needed to cover the Company's operating expenses of \$162,155 as shown in Schedule GWB-1 and to provide a 10.00 percent rate of return on the \$525,640 rate base. See Schedule GWB-1.

OTHER

The Company has failed to bill its commercial customers in compliance with its tariff that arose from Decision No. 67157. For this reason, Staff recommends a fine to be levied against the Company. Staff recommends that since the only non-volumetric rate that the Company was authorized to charge was \$30 per customer per month, then the fine should be equal to the total

amounts billed by the Company during the test year that were in excess of \$30 per customer per month. For the test year in this proceeding, Staff has determined that there are 70 commercial bills, each one in excess of \$30 per month. Customer billings in excess of \$30 per month per customer have an aggregate value of \$10,227. Thus, Staff recommends levying a fine of \$10,227 against the Company.

Staff also notes that the Company failed to file its rate application in accordance with the requirements of Decision No. 67157 which required the Company to "file, no later than three months following the fifth year anniversary of the effective date of this Decision, with the Commission, a rate application."¹ This means that the instant application, filed on September 23, 2010, should have been filed no later than November 10, 2009. Staff believes that this act of noncompliance further justifies levying a fine against the Company.

Staff further notes that Decision No. 67157 had levied financial penalties against the Company "because the Applicant proceeded to connect customers to its system prior to being granted a Certificate"² Although this matter has been settled, Staff believes that the Company's history of noncompliance prior to this proceeding further justifies levying a fine against the Company.

RATE DESIGN

The Company's requested rates would increase all residential bills from \$30.00 to \$41.60 for an increase of \$11.60 or 38.7 percent. The Company proposes to continue its existing protocol for commercial customers billed with a volume component because installing flow meters as required by the previous decision is not cost-effective, nor are the meters considered to be very accurate.

The Company has one commercial customer presently being billed at an unauthorized rate of \$125 per month which is based on a mutual agreement between the Company and the customer. The Company proposes an increase proportionate to the increase for its single-family residential customers. Under the Company's proposal, the sole customer presently billed at \$125 per month would be increased to \$173.33, for an increase of \$48.33 or 38.7 percent. ($\$41.60 / \30.00 , times $\$125.00$ equals $\$173.33$).

Staff recommends that residential customers continue to be billed on a flat-rate basis. Staff further recommends rates that would increase the residential bill from \$30.00 to \$38.99 for an increase of \$8.99 or 30.0 percent. Staff further recommends that *all* commercial customers be billed on a volumetric basis that uses a factor of 85 percent of metered water use divided by a single-family equivalent of 262 gallons per day and applied to the residential flat rate. Further, this volumetric based billing would include the customer presently being billed at a flat rate of

¹ Decision No. 67157, dated August 10, 2004, page 8, lines 17-9.

² Decision No. 67157, dated August 10, 2004, page 6, lines 19.5-20.5.

\$125 per month. Staff's recommended rates would increase commercial customer rates by the same percentage as residential rates.

Staff notes that the existing billing practices are out of compliance with the Company's existing tariff because the Company never installed flow meters to measure effluent flowing into the system; however, Staff concurs with the Company that the installation of flow meters at this time would not be cost-effective. For this reason, Staff recommends that the tariff arising from this decision should reflect the existing billing protocol that the Company has been using for its commercial customers.

Staff-recommended rates are presented in Schedule GWB-4.

STAFF RECOMMENDATIONS

Staff recommends approval of the Staff-proposed rates and charges as shown in Schedule GWB-4.

Staff further recommends that the Company be ordered to file with Docket Control, as a compliance item in this Docket, a tariff schedule of its new rates and charges within 30 days after the effective date of the Decision in this proceeding.

Staff further recommends that the Company adopt the typical and customary depreciation rates as delineated on Table H-1 of the attached Engineering Report.

Staff further recommends that the Commission levy a fine of \$10,227 against the Company for billing practices that are not in compliance with its existing tariff.

The Links at Coyote Wash Utilities, LLC

Docket No. SW-04210A-10-0392

Schedule GWB-1

Test Year Ended December 31, 2009

SUMMARY OF FILING

	-- Present Rates --		-- Proposed Rates --	
	Company as Amended	Staff as Adjusted	Company as Amended	Staff as Adjusted
Revenues:				
Flat Rate Revenue	\$115,769	\$124,289	\$160,604	\$163,276
Measured Revenues	12,638	12,638	\$17,532	\$16,602
Other Wastewater Revenues	26,521	26,521	36,792	34,840
Total Operating Revenue	\$154,928	\$163,448	\$214,928	\$214,719
Operating Expenses:				
Operation and Maintenance	\$138,824	\$141,994	\$138,824	\$141,994
Depreciation	19,506	17,357	19,506	17,357
Property & Other Taxes	2,804	2,804	2,804	2,804
Income Tax	0	0	0	0
Total Operating Expense	\$161,134	\$162,155	\$161,134	\$162,155
Operating Income/(Loss)	(\$6,206)	\$1,293	\$53,794	\$52,564
Rate Base O.C.L.D.	\$514,731	\$525,640	\$514,731	\$525,640
Rate of Return - O.C.L.D.	-1.21%	0.25%	10.45%	10.00%

RATE BASE

	----- Original Cost -----			
	Company	Adjustment		Staff
Plant in Service	\$647,724	(\$30,009)	A	\$617,715
Less:				
Accum. Depreciation	114,100	(24,209)	B	89,891
Net Plant	\$533,624	(\$5,800)		\$527,824
Less:				
Plant Advances	\$15,000	(\$15,000)	C	\$0
Customer Deposits	3,893	0		3,893
Total Advances	\$18,893	(\$15,000)		\$3,893
Contributions Gross	\$0	\$15,000	C	\$15,000
Less:				
Accumulated Amortization of CIAC	0	\$882	D	882
Net CIAC	\$0	\$14,118		\$14,118
Total Deductions	\$18,893	(\$882)		\$18,011
Plus:				
1/24 Power	\$0	\$961	E	\$961
1/8 Operation & Maint.	\$0	14,866	E	14,866
Inventory	0	0		0
Prepayments	0	0		0
Total Additions	\$0	\$15,827		\$15,827
Rate Base	\$514,731	\$10,909		\$525,640

Explanation of Adjustments:

A To adjust \$10,000 of paid in capital erroneously capitalized in 2006

B To adjust \$1,484 of unsupported costs in 2007

last proc \$1,131 of unsupported costs in 2009

C To transfer AIAC received for projects that have been cancelled to CIAC

D To record accumulated amortization-CIAC for amounts transferred in Adjustment C

E To record adjustment for working capital.

ACCUMULATED DEPRECIATION ADJUSTMENT

	<u>Amount</u>
Accumulated Depreciation - Per Company	\$114,100
Accumulated Depreciation - Per Staff	<u>\$89,891</u>
Total Adjustment	<u>(\$24,209)</u>

To restate Accumulated Depreciation using the rates approved in Decision No 67157 and applied to Staff recommended balances in the Company's Plant in Service

PLANT ADJUSTMENT

	Company Exhibit	Adjustment	Staff Adjusted
301 Organization	\$0	\$0	\$0
352 Franchises	8,370	0	\$8,370
353 Land & Land Rights	4,271	0	\$4,271
354 Structures & Improvements	2,136	0	\$2,136
361 Collection Sewers-Gravity	428,351	(17,394) A	\$410,957
370 Receiving Wells	7,500	0	\$7,500
380 Treatment & Disposal Equipment	197,096	(12,615) B	\$184,481
320.1 Water Treatment Plants	0	0	\$0
320.2 Solution Chemical Feeders	0	0	\$0
330 Distribution Reservoirs & Standpipes	0	0	\$0
330.1 Storage Tanks	0	0	\$0
330.2 Pressure Tanks	0	0	\$0
331 Transmission & Distribution Mains	0	0	\$0
333 Services	0	0	\$0
334 Meters & Meter Installations	0	0	\$0
335 Hydrants	0	0	\$0
336 Backflow Prevention Devices	0	0	\$0
339 Other Plant and Misc. Equipment	0	0	\$0
340 Office Furniture & Equipment	0	0	\$0
341 Transportation Equipment	0	0	\$0
343 Tools Shop & Garage Equipment	0	0	\$0
344 Laboratory Equipment	0	0	\$0
345 Power Operated Equipment	0	0	\$0
346 Communication Equipment	0	0	\$0
347 Miscellaneous Equipment	0	0	\$0
348 Other Tangible Plant	0	0	\$0
105 C.W.I.P.	0	0	\$0
TOTALS	\$647,724	(\$30,009)	\$617,715

A To remove \$17,394 of legal expenses inappropriately capitalized in 2006 in Account 361,
Collection Sewers, Gravity

B To remove from Account 380, Treatment & Disposal Equipment:
\$10,000 of paid in capital erroneously capitalized in 2006
\$1,484 of unsupported costs in 2007
\$1,131 of unsupported costs in 2009

STATEMENT OF OPERATING INCOME

	Company as Amended	Staff Adjustments	Staff Adjusted
Revenues:			
521 Flat Rate Revenue	\$115,769	\$8,520 A	\$124,289
522 Measured Revenue	12,638	0	12,638
536 Other Wastewater Revenues	26,521	0	26,521
Total Operating Revenue	\$154,928	\$8,520	\$163,448
Operating Expenses:			
701 Salaries and Wages	\$0	\$0	\$0
710 Purchased Wastewater Treatment	5,075	0	5,075
715 Purchased Power	17,990	0	17,990
718 Chemicals	18,960	0	18,960
720 Materials & Supplies	1,917	0	1,917
721 Office Supplies & Expense	0	0	0
731 Outside Services-Professional	46,985	(5,691) B	41,294
735 Outside Services-Testing	11,026	514 C	11,540
731 Outside Services-Other	33,225	0	33,225
750 Transportation Expenses	0	0	0
757 Insurance - General Liability	0	0	0
770 Bad Debt Expense	0	8,347 D	8,347
766 Regulatory Commission Expense - Rate Case	0	0	0
775 Miscellaneous Expense	3,646		3,646
403 Depreciation Expense	19,506	(2,149) E	17,357
408 Taxes Other Than Income	0	0	0
408.11 Property Taxes	2,804	0	2,804
409 Income Tax	0	0	0
Total Operating Expenses	\$161,134	\$1,021	\$162,155
OPERATING INCOME/(LOSS)	(\$6,206)	\$7,499	\$1,293

STAFF ADJUSTMENTS

A	Flat Rate Revenue - Per Company Per Staff	115,769	
		<u>124,289</u>	<u>\$8,520</u>
	To adjust for customer annualization and non recurrent activity		
B	OUTSIDE SERVICES - Per Company Per Staff	46,985	
		<u>41,294</u>	<u>(\$5,691)</u>
	To reflect normalized expenses.		
C -	WATER TESTING - Per Company Per Staff	11,026	
		<u>11,540</u>	<u>\$514</u>
	To reflect normalized annual water testing cost		
D	BAD DEBT EXPENSE - Per Company ('above the line') Per Staff	\$0	
		<u>8,347</u>	<u>\$8,347</u>
	To record bad debt expense 'above the line', or to be included in operating expenses and operating income.		

STAFF ADJUSTMENTS (Cont.)

E To recalculate depreciation expense at Staff recommended rates

Pro Forma Annual Depreciation Expense:

Plant in Service	\$617,715
Less: Non Depreciable Plant	12,641
Fully Depreciated Plant	0
Depreciable Plant	<u>\$605,074</u>
Times: Staff Proposed Average Depreciation Rate	2.94%
Credit to Accumulated Depreciation	<u>\$17,798</u>
Less: Amort. of CIAC* @ 2.94%	441
Pro Forma Annual Depreciation Expense	<u><u>\$17,357</u></u>

*** Amortization of CIAC:**

Contribution(s) in Aid of Construction (Gross)	\$15,000
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	<u>\$15,000</u>
Times: Staff Proposed Amortization Rate	2.94%
Amortization of CIAC	<u><u>\$441</u></u>

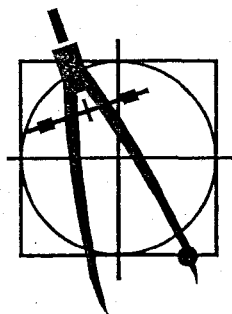
RATE DESIGN

	Present Rates		Proposed Rates- Co.	Staff Recommended Rates	
Monthly Usage Charge- Residential - ALL Commercial - ALL ex. Coyote Wash Clubhouse	\$30.00 \$0.00		\$	\$	38.99
Commodity Rates					
Residential	N/A				N/A
Commercial - ALL ex. Coyote Wash Clubhouse	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate of the commercial customer. One SFE is equal to 262 gallons per day. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate (as determined by the metered water use times a factor of .85) of the commercial customer. One SFE is equal to 262 gallons per day. The resulting factor will be multiplied by the approved residential flat fee to create the custom commercial rate.			
Sale of Effluent, per thousand gallons	\$2.00		\$2.77		\$2.60
Service Charges					
Flow Meter Installation Charge	100.00		N/A		N/A
Establishment	25.00		30.00		30.00
Establishment (After Hours)	N/A		N/A		N/A
Reconnection (Delinquent)	30.00		Cost		Cost
Reconnection (Delinquent) after hours	N/A		N/A		N/A
Deposit	Per Rule*		Per Rule*		Per Rule*
Re-Establishment (Within 12 Months)	Per Rule*		Per Rule*		Per Rule*
NSF Check	Per Rule**		Per Rule**		Per Rule**
Late Payment Penalty	25.00		25.00		25.00
Deferred Payment	1.5% / Mo.		1.5% / Mo.		1.5% / Mo.
	N/A		N/A		N/A
Service Lateral Installation Charges					
Per Service Line					
4" Meter	N/A		N/A		N/A
6" Meter	N/A		N/A		N/A
8" Meter	N/A		N/A		N/A
12" Meter	N/A		N/A		N/A
UNAUTHORIZED RATES					
Commercial- Coyote Wash Clubhouse	\$125 per month		\$173.33 per month		Bill on Commercial Rate

* Per Commission Rules (R14-2-603.B)

** Months off system times the minimum (R14-2-603.D.1)

*** Per Commission Rules (R14-2-608.F)



**Engineering Report For
The Links at Coyote Wash Utilities, LLC
Docket No. SW-04210A-10-0392
(Rates)**

By Jian W Liu

February 22, 2011

EXECUTIVE SUMMARY

CONCLUSIONS:

1. ADEQ regulates The Links at Coyote Wash Utilities, LLC ("LACW" or "Company") wastewater treatment plant under Permit No. 29198. Per the September 28, 2010 Compliance Status Reports issued by ADEQ, the system is in full compliance with ADEQ requirements.
2. Staff concludes that LACW has adequate treatment capacity to serve the existing customer base and reasonable growth.

RECOMMENDATIONS:

1. It is recommended that the Company use the depreciation rates presented in Table G-1 by individual NARUC category.
2. Staff recommends annual wastewater testing expense of \$11,540 be used for purposes of this application.

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D. GROWTH	3
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F. ARIZONA CORPORATION COMMISSION ("ACC") COMPLIANCE	4
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FIGURES

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A. LOCATION OF COMPANY

The Links at Coyote Wash Utilities, LLC ("LACW" or "Company") has submitted an application with the Arizona Corporation Commission ("ACC" or "Commission") for approval of a rate increase in Docket No. SW-04210A-10-0392. The Company is located near the Town of Welton, approximately 25 miles east of the City of Yuma in Yuma County, Arizona. The Company provided wastewater service to 367 connections at the end of 2009. Figure 1 shows the location of LACW within Yuma County and Figure 2 shows the certificated area.

B. DESCRIPTION OF THE WASTEWATER SYSTEM

The Links at Coyote Wash owns and operates a 0.0693 million gallon per day ("MGD") wastewater treatment plant ("WWTP"). The WWTP is a package treatment plant, manufactured by Santec Co., equipped with equalization chamber, aeration/anoxic basins, secondary clarifier, and chlorination/dechlorination devices. The treated effluent is used for golf course irrigation.

LACW was field inspected on January 11, 2011, by Jian W Liu, Commission Staff Utilities Engineer ("Staff"), in the accompaniment of Rick Miller, certified operator for the Company.

Wastewater Treatment Plant

Name or Description	Plant Items	Location
LACW WWTP	Santec WWTP equipped with equalization chamber, aeration/anoxic basins, secondary clarifier, and chlorination/dechlorination devices. Operating at 69,300 GPD* (permitted)	Near Coyote Wash Golf Course

* gallon per day

Lift Stations

Location	Quantity of Pumps	Horsepower per Pump	Capacity per Pump (GPM)	Wet Well Capacity (gals.)
County Road 12	2	10	400	3,300
Coyote Wash Golf Course	2	30	400	2,630
Avenue 29E	2	5	250	2,630

Manholes

Type	Quantity
Standard	75

Force Mains

Size	Material	Length (Feet)
6-inch	PVC	2,020
8-inch	PVC	5,000

Cleanouts

Quantity
3

Collection Mains

Diameter	Length (Feet)
6-inch	
8-inch	19,700
10-inch	3,500
12-inch	1,650
15-inch	4,025

Service Laterals

Diameter	Material	Length (Feet)
4-inch	PVC	504*
	Total:	504

* Some Service Laterals on vacant lots.

C. WASTEWATER FLOW

Based on the information provided by the LACW, wastewater flow for the year 2009 is presented in Figure 3. Customers experienced a high monthly average wastewater flow of 122 GPD per connection and a low monthly average wastewater flow of 57 GPD per connection for an average annual wastewater flow of 85 GPD per connection. Staff concludes that LACW has adequate treatment capacity to serve the existing customer base and reasonable growth.

D. GROWTH

In December 2009, the Company had 367 connections, and in August 2010, the Company had 361 connections. The Company estimates that there will be little or no growth for the next two years due to the current economic climate.

E. ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY ("ADEQ") COMPLIANCE

ADEQ regulates The Links at Coyote Wash Utilities WWTP under Permit No. 29198. Per a September 28, 2010, Compliance Status Report issued by ADEQ, the system is in full compliance with ADEQ requirements.

F. ACC COMPLIANCE

A check with the Utilities Division Compliance Section showed the Company has two unfulfilled items. Staff is processing an extension request on those items but they remain delinquent until further order of the Commission. Both of these items arose in Docket No. SW-04210A-06-0220, which granted the Company an extension of its certificated territory on December 21, 2006. The first outstanding compliance item requires the Company to file, within 2 years of the effective date of Decision 69209, or by December 21, 2008, copies of the Approval of Construction ("AOC") documentation for the collection line installations needed to serve the extension area. The second compliance item requires that the Company file, by December 31, 2008, with Docket Control, as a compliance item in this docket, a copy of ADEQ's Aquifer Protection Permit ("APP") modification.

On March 31, 2009, the Company docketed a "motion for extension of time" seeking an extension of time until August 31, 2010, for the provision of the AOC and a copy of the APP modification. Staff filed its response on May 19, 2009, recommending approval of the Company's requested extension of time. On June 30, 2009, the Commission issued Decision No. 71189 which approved the Company's request for an extension of time until August 31, 2010 for the filing of the AOC and APP modification.

On September 8, 2010, the Company submitted an updated request for service from the developer in order for Staff to process the new extension of time. Staff has now processed the current request and has recommended a new due date of August 31, 2012, to the Commission for the provision of the AOC and APP filings. Staff further recommended that no further extensions of time be granted in that matter and since the requests for time extension were filed after the Commission's due date, Staff recommends that the Commission deny any future extension requests from the Company if they are filed after existing due dates. The Commission has not yet issued a decision on this issue.

G. DEPRECIATION RATES

In recent orders, the Commission has been shifting away from the use of composite depreciation rates in favor of individual depreciation rates by National Association of Regulatory Utility Commissioners ("NARUC") category. (For example, a uniform 2.50% composite rate would not really be appropriate for either vehicles or transmission mains and instead, different specific retirement rates should be used.)

Staff has developed typical and customary depreciation rates within a range of anticipated equipment life. These rates are presented in Table G-1 and it is recommended that the Company use these depreciation rates by individual NARUC category.

Table G-1. Wastewater Depreciation Rates

NARUC Acct. No.	Depreciable Plant	Average Service Life (Years)	Annual Accrual Rate (%)
354	Structures & Improvements	30	3.33
355	Power Generation Equipment	20	5.00
360	Collection Sewers – Force	50	2.0
361	Collection Sewers- Gravity	50	2.0
362	Special Collecting Structures	50	2.0
363	Services to Customers	50	2.0
364	Flow Measuring Devices	10	10.0
365	Flow Measuring Installations	10	10.00
366	Reuse Services	50	2.00
367	Reuse Meters & Meter Installations	12	8.33
370	Receiving Wells	30	3.33
371	Pumping Equipment	8	12.50
374	Reuse Distribution Reservoirs	40	2.50
375	Reuse Transmission & Distribution System	40	2.50
380	Treatment & Disposal Equipment	20	5.0
381	Plant Sewers	20	5.0
382	Outfall Sewer Lines	30	3.33
389	Other Plant & Miscellaneous Equipment	15	6.67
390	Office Furniture & Equipment	15	6.67
390.1	Computers & Software	5	20.0
391	Transportation Equipment	5	20.0
392	Stores Equipment	25	4.0
393	Tools, Shop & Garage Equipment	20	5.0
394	Laboratory Equipment	10	10.0
395	Power Operated Equipment	20	5.0
396	Communication Equipment	10	10.0
397	Miscellaneous Equipment	10	10.0
398	Other Tangible Plant	----	----

NOTE: Acct. 398, Other Tangible Plant may vary from 5% to 50%. The depreciation rate would be set in accordance with the specific capital items in this account.

H. Chemical Testing Expenses

The Company reported its wastewater testing expense at \$11,026 during the test year. Table H1 below is Staff's calculation of annual test expenses based on the information submitted by the Company. Staff's total estimated testing expense is \$11,540.

Staff recommends annual wastewater testing expense of \$11,540 be used for purposes of this application.

Table H1 Wastewater Testing Cost

	Cost per test	No. of tests per year	Annual Cost
Fecal Coliform	\$35	180	\$6,300
Total Nitrogen (effluent) - monthly	\$45	12	\$540
Chlorine (effluent) - quarterly	\$200	4*4	\$3,200
Other Chemicals (effluent) - quarterly	\$25	4*15	\$1,500
Total			\$11,540

The Links at Coyote Wash Utilities
Docket No. SW-04210A-10-0392

YUMA COUNTY - SEWER

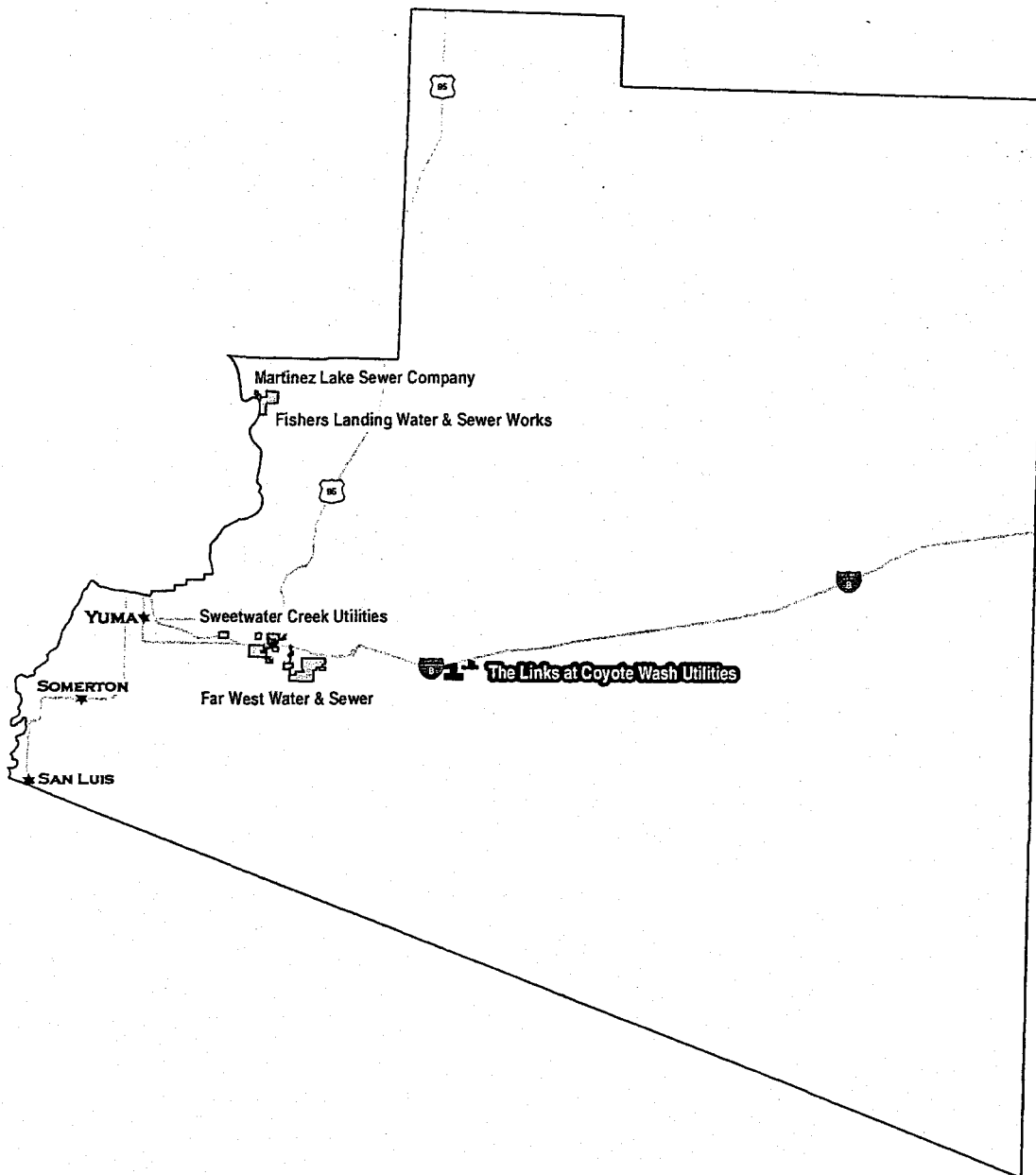


Figure 1: County Map

The Links at Coyote Wash Utilities
Docket No. SW-04210A-10-0392

Y U M A C O U N T Y

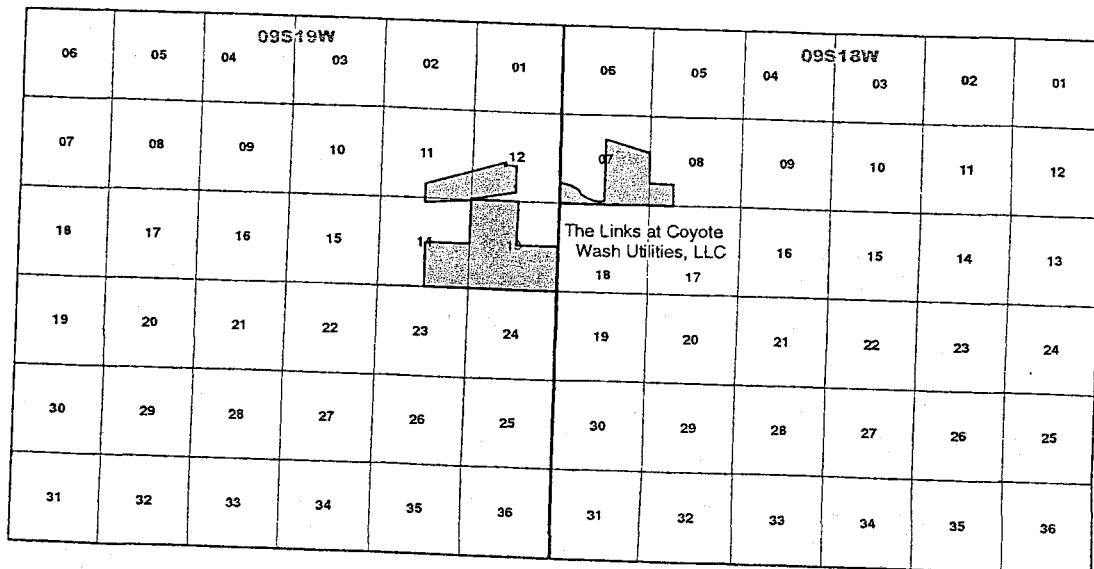


Figure2: Certificated Area

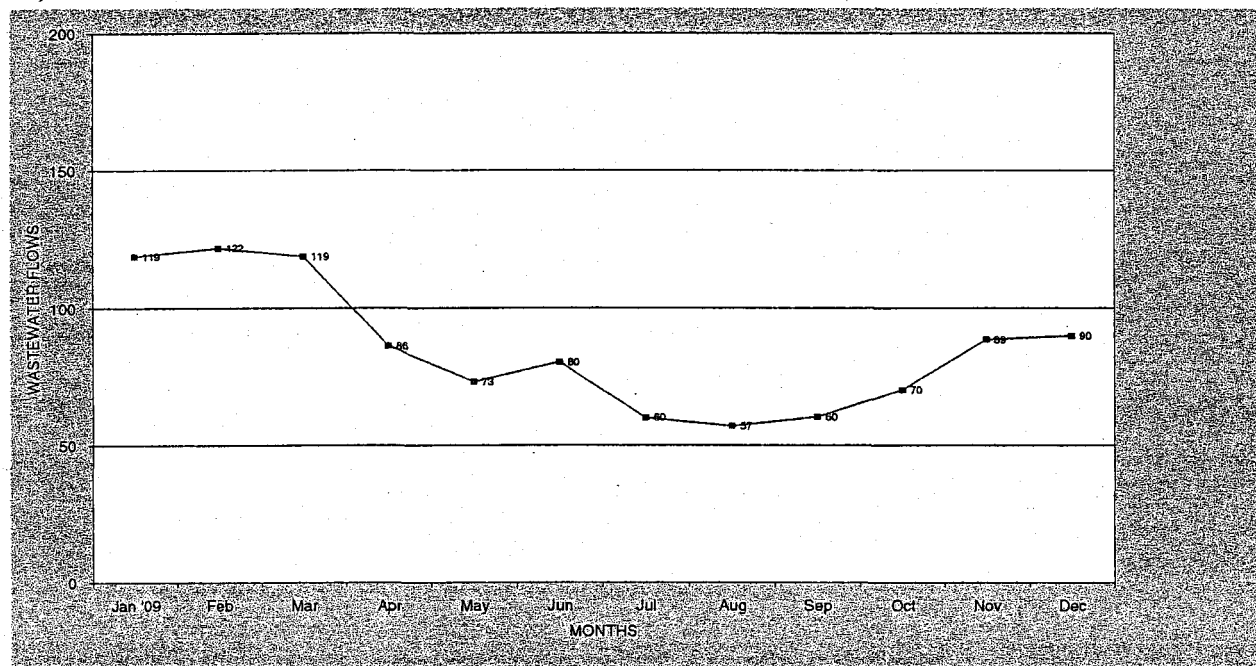


FIGURE 3
WASTEWATER FLOW

MEMORANDUM

TO: Gerald Becker
Public Utilities Analyst V
Utilities Division

FROM: Guadalupe Ortiz *G.O.*
Public Utilities Consumer Analyst I
Utilities Division

THRU: Connie Walczak *CW*
Administrative Services Officer II
Utilities Division

DATE: January 3, 2011

UTILITY: The Links at Coyote Wash Utilities, LLC
DOCKET NO. SW-04210A-10-0392

COMPANY HISTORY

The Links at Coyote Wash Utilities, LLC ("Links at Coyote Wash" or "Company") is a public service utility subject to the jurisdiction of the Arizona Corporation Commission ("Commission"). Links at Coyote Wash was granted a Certificate of Convenience and Necessity ("CCN") to provide wastewater service in Commission Decision No. 67157 on August 10, 2004.

The Company provides wastewater service to 287 customers in Yuma County. The Company's current rates have been in effect since August 10, 2004.

COMPLAINT HISTORY

2008 thru 2010 - Zero Complaints
43 Opinions (43 Opinions opposed to the rate case item)

SUFFICIENCY STATUS

The Company's rate application met sufficiency status on December 9, 2010.

AFFIDAVIT OF MAILING

A copy of the Affidavit of Mailing was filed on October 7, 2010.

BILL FORMAT COMPLIANCE

A sample bill provided by the Company reflects the bill complies with Rules R14-2-608.B.1. thru R14-2-608.B.8 of the Arizona Administrative Code, Title 14, Chapter 2. A copy of the bill has been filed in the Company's tariffs.

CORPORATIONS DIVISION STATUS

On January 3, 2011 the Corporations Division reported that the Company is in Good Standing.

HEARING DATE

As of this date, a hearing has not been scheduled for this matter.

INTERVENORS

No Motions to Intervene have been filed.

If you have any questions regarding this report, please contact me at (602) 542-2406.

cc: Engineering
File

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman

BOB STUMP

SANDRA D. KENNEDY

PAUL NEWMAN

BRENDA BURNS

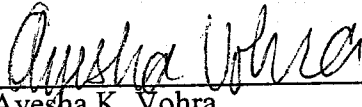
IN THE MATTER OF THE APPLICATION OF
THE LINKS AT COYOTE WASH UTILITIES,
LLC FOR APPROVAL OF A RATE
INCREASE.

DOCKET NO. SW-04210A-10-0392

**STAFF'S NOTICE OF FILING
DIRECT TESTIMONY**

The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission")
hereby files the Direct testimony of Staff witnesses Gerald Becker and Jian W. Liu
in the above-referenced matter.

RESPECTFULLY SUBMITTED this 5th day of April, 2011.


Ayesha K. Vohra
Attorney, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

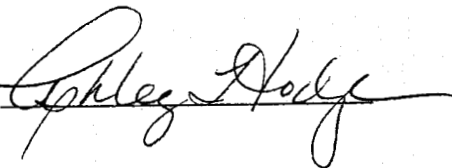
Original and thirteen (13) copies
of the foregoing were filed this
5th day of April, 2011 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing were mailed
this 5th day of April, 2011 to:

Patrick J. Black
FENNEMORE CRAIG, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attorney for The Links at Coyote Wash Utilities, LLC

1 Jason Williamson
2 THE LINKS AT COYOTE WASH UTILITIES, LLC
3 C/O PIVOTAL UTILITY MANAGEMENT
4 6825 East Tennessee Avenue, Suite 547
5 Denver, Colorado 80224
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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE

Chairman

BOB STUMP

Commissioner

SANDRA D. KENNEDY

Commissioner

PAUL NEWMAN

Commissioner

BRENDA BURNS

Commissioner

IN THE MATTER OF THE APPLICATION OF)
THE LINKS AT COYOTE WASH UTILITIES,)
AN ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE CURRENT FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR RATE INCREASES IN)
ITS RATES AND CHARGES FOR UTILITY)
SERVICE BASED THEREON)

DOCKET NO. SW-04210A-10-0392

DIRECT

TESTIMONY

OF

GERALD BECKER

PUBLIC UTILITIES ANALYST V

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

APRIL 5, 2011

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EXECUTIVE SUMMARY
THE LINKS AT COYOTE WASH UTILITIES, LLC
DOCKET NO. SW-04210A-10-0392

The testimony provided herein is intended to supplement the Staff Report of February 23, 2011, and to comply with the Procedural Order issued on March 9, 2011. In this testimony, Staff addresses in greater detail the following issues:

1. Staff's recommended fine;
2. The alleged free dumping of waste from RVs at a commercial customer location;
3. The alleged assurances made to residential customers that their rates would not increase;
4. How the proposed and recommended commercial rate methodology works in practice and what monthly rates result from it;
5. The alleged agreement by the Company to provide service to a commercial customer for a flat \$125.00 monthly rate.

The alleged noxious odors from Links' wastewater treatment plant will be addressed in the testimony of Staff witness Jian Liu.

INTRODUCTION

Q. Please state your name, occupation, and business address.

A. My name is Gerald Becker. I am a Public Utilities Analyst V employed by the Arizona Corporation Commission ("ACC" or "Commission") in the Utilities Division ("Staff"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

Q. Briefly describe your responsibilities as a Public Utilities Analyst V.

A. I am responsible for the examination and verification of financial and statistical information included in utility rate applications. In addition, I develop revenue requirements, and prepare written reports, testimonies, and schedules that include Staff recommendations to the Commission. I am also responsible for testifying at formal hearings on these matters.

Q. Please describe your educational background and professional experience.

A. I received a Masters of Business Administration with an emphasis in Accounting from Pace University. I am a Certified Public Accountant and a Certified Internal Auditor.

I have participated in multiple rate, financing and other regulatory proceedings. I attended the National Association of Regulatory Utility Commissioners ("NARUC") Utilities Rate School.

I began employment with the Commission as a utilities regulatory analyst in April 2006. Prior to joining the Commission, I worked as an Auditor at the Department of Economic Security and Department of Revenue in the Taxpayer Assistance Section. Prior to those jobs, I worked for 15 years as an Auditor, Analyst, Financial Analyst, and Budget Manager at United Illuminating, an investor-owned electric company in New Haven, CT.

1 **Q. What is the scope of your testimony in this case?**

2 A. I am supplementing the Staff report of February 23, 2011 and responding to the
3 Procedural Order of March 9, 2011.
4

5 **SUMMARY OF ISSUES**

6 **Q. Please provide a brief summary of the issues.**

7 A. My testimony will address the following issues, as directed in the Procedural Order:
8 1. Staff's recommended fine;
9 2. The alleged free dumping of waste from RVs at a commercial customer location;
10 3. The alleged assurances made to residential customers that their rates would not
11 increase;
12 4. How the proposed and recommended commercial rate methodology works in practice
13 and what monthly rates result from it;
14 5. The alleged agreement by the Company to provide service to a commercial customer
15 for a flat \$125.00 monthly rate.

16 The alleged noxious odors from Links' wastewater treatment plant will be addressed in the
17 testimony of Staff witness Jian Liu.
18

19 **STAFF'S RECOMMENDED FINE**

20 **Q. Please provide a brief summary of the currently-authorized rates for the commercial**
21 **customers.**

22 A. In Decision No. 67157, the Commission authorized the Company to charge its commercial
23 customers a volumetric rate based on actual flows according to a sewer flow meter
24 installed at each customer's premises. The measured flows were to be divided by one
25 single family equivalent ("SFE") of 262 gallons per day and then multiplied by the
26 residential flat rate. This protocol required the Company to install meters to measure the
27 effluent entering the sewer system from each customer's premises. The Company's
28 approved tariff included a charge for installing such meters. The Company never installed
29 the required devices.

1 **Q. Did the Company bill according to the terms of the tariff that resulted from Decision**
2 **No. 67157?**

3 A. No. In order to comply with its tariff, the Company would have had to install flow meters
4 at each commercial customer's premises to measure the effluent entering the sewer
5 system, and the Company did not. Instead, the Company devised and implemented its
6 own billing protocol without Commission approval. Instead of measuring effluent, the
7 Company obtains water use information from the Town of Wellton, the water provider for
8 the Company's sewer customers. The Company multiplies the gallons of water purchased
9 by 85 percent and uses the result as a proxy for the amount of effluent being fed into the
10 system. This proxy amount is then divided by the presumed SFE of 262 gallons per day
11 and the result is multiplied by the residential flat rate, which is presently \$30 per month.

12
13 **Q. Does Staff consider this billing protocol to be appropriate?**

14 A. No. The Company is required to follow the approved tariff. If the Company found that
15 following its tariff was either impossible or impractical, the Company could have filed a
16 request to revise its billing practices and amend its tariff. The Company did not make any
17 such filing and used an unapproved billing protocol.

18
19 **Q. Please explain Staff's method used to calculate the recommended fine.**

20 A. Since the Company did not install the required flow meters and obtain the information
21 necessary to bill in accordance with its tariff, Staff believes that the only rate possibly
22 authorized in the Company's tariff is the flat rate of \$30 per month per customer. In order
23 to determine the number and value of all billings in excess of \$30 per month per customer,
24 Staff obtained the file supporting the Company's Measured Revenues of \$12,638 during
25 the test year. See Staff Report Schedule GWB-1. Staff examined the file for all billings
26 greater than \$30 per month and determined that there were 70 bills in excess of \$30 per

1 month, and that the cumulative billings in excess of \$30 per month have an aggregate
2 value of \$10,227.

3
4 **Q. What does Staff recommend?**

5 A. Staff recommends that the Commission levy a fine of \$10,227 against the Company. This
6 is based on a methodology that mirrors the aggregate value of each occurrence when the
7 Company billed a customer in excess of \$30 per month.

8
9 **THE ALLEGED FREE DUMPING OF WASTE FROM RECREATIONAL VEHICLES**
10 **("RVs") AT A COMMERCIAL CUSTOMER LOCATION**

11 **Q. Please summarize the concern regarding the free dumping of waste from RVs.**

12 A. A customer submitted a complaint to eDocket indicating that there is a line of RVs at the
13 gas station dumping their sewage free of charge.

14
15 **Q. Does Staff have any additional information on this allegation?**

16 A. Yes. Staff has reviewed the customer complaint and has performed some additional
17 analysis. The commercial customer in question appears to be the Chevron station located
18 near Exit 30 of Interstate Highway 8 in Wellton, AZ. This station is part of the
19 sanidumps.com chain which provides facilities where RVs can discharge stored waste and
20 refill the water tanks. In this instance, the Chevron station does not charge RVs to dump
21 their waste but does charge for water.

22
23 **Q. Please explain further.**

24 A. The Chevron station in Wellton provides for dumping free of charge but makes water
25 available for sale to the customers presumably to refill the RVs, as necessary and to aid in
26 the cleaning of the tanks. Staff reviewed the revenue data for this customer and

1 determined that the billing for this commercial customer in the test year was
2 approximately \$1,856, or 14.7 percent of the \$12,638 of Measured Revenues in the test
3 year. The revenues of \$1,856 also represent 1.1 percent of the Total Operating Revenue
4 of \$163,448 for the test year.

5
6 **Q. Does Staff have any other observations?**

7 A. Staff notes that the Measured Revenues of \$12,638 is derived from ten customers, of
8 which one customer is the Coyote Wash Club which is billed at a flat rate of \$125 per
9 month,¹ or \$1,500 per year. See Attachment 1. Excluding the flat-rated activity from the
10 remaining commercial customers which were billed volumetrically, Staff determined that
11 there are nine commercial customers billed on a volumetric basis and that these customers
12 generated revenue of \$11,137.85 during the test year, for an approximate average billing
13 of \$1,237.54 ($\$11,137.85 / 9$). In further analyzing the billing distribution, Staff
14 calculated the median, volumetrically-based, annual bill at approximately \$469. This
15 means that the annual billing for the Chevron station of \$1,856 is 150.0 percent of the
16 average, volumetrically-based, annual bill and 395.7 percent of the median,
17 volumetrically-based, annual bill for commercial customers.

18
19 **Q. In addition to its analysis of revenue, does Staff have any other observations?**

20 A. Yes. In a conversation with Jason Williamson of Pivotal Utilities Management, LLC on
21 March 23, 2011, Mr. Williamson stated that he had been in contact with the owner of the
22 Chevron station who is also the owner of the Company. Mr. Williamson further stated
23 that the owner of the service station estimates the number of RV dumps per year at 1,000
24 and that RV tanks range in size from 12-45 gallons. This means that, on the high end, the
25 RVs are annually dumping 45,000 gallons of effluent into the sewer system.

¹ This account is discussed further below under the alleged agreement to provide service to a commercial customer at a flat rate of \$125 per month.

1 Staff reviewed the application and notes that the Company reports monthly flows that total
2 to 10,465,400 gallons during the test year.² This data is summarized on Attachment 2.
3 Staff divided the estimated RV dumps of 45,000 gallons by the total annual gallons of
4 10,465,400 and calculated that the RV dumps represent approximately 0.4 percent of the
5 flows.

6
7 Staff then evaluated the relationship between the revenues paid by the Chevron station of
8 \$1,856 with the total Flat Rate Revenues of \$124,289 plus the Measured Revenues of
9 \$12,638, or \$136,927. Dividing the revenues from the Chevron station of \$1,856 by total
10 flat and measured sewer revenues of \$136,927 indicates that the Chevron station paid
11 approximately 1.4 percent of the total flat and measured sewer revenues during the test
12 year. See Attachment 2.

13
14 Staff recognizes that there is sewage flow from the Chevron station in addition to the
15 dumping of waste from RVs. However, considering that the dumping of RV waste
16 represents only 0.4 percent of the flows into the system and that the Chevron station paid
17 approximately 1.4 percent of the total flat and measured revenues, Staff concludes that the
18 dumping of RV waste by itself cannot represent an unfair burden being placed on other
19 customers.

20
21 **Q. What does Staff infer from this data?**

22 **A.** Based upon the above relationships, it appears to Staff that this customer is paying its fair
23 share of costs and not burdening other customers with undue costs. Staff further notes that
24 a more definite answer to this would necessitate a cost of service study which is not
25 typically performed on smaller, Class D utility companies.

² See page 11 of Company application dated September 23, 2010.

**ALLEGED ASSURANCES MADE TO RESIDENTIAL CUSTOMERS THAT THEIR
RATES WOULD NOT INCREASE**

Q. Is Staff aware of any representations made by the Company to assure customers that there would be no rate increases?

A. No.

Q. Does Staff have any other information regarding the possibility of a rate increase?

A. In reviewing the transcript of the hearing of June 4, 2004, in Docket No. SW-04210A-03-0712, Staff notes that Staff recommended a rate proceeding "be filed no later than three months following the fifth anniversary of any decision in this matter."³ Further, Decision No. 67157 adopted Staff's recommendation.⁴

Q. Does Staff make any inference from these facts?

A. Yes. Staff infers that, not only was a future rate increase contemplated, but the Company was ordered to file a subsequent rate case by a date certain.

**HOW THE PROPOSED AND RECOMMENDED COMMERCIAL RATE
METHODOLOGY WORKS IN PRACTICE AND WHAT MONTHLY RATES RESULT
FROM IT**

Q. Please describe the proposed and recommended commercial rate methodology.

A. The proposed and recommended commercial rate methodology is the same as the current practice, which does not conform to the Company's existing tariff. The Company obtains water use data from the Town of Wellton, multiplies the usage by 85 percent, divides the result by 262 gallons per SFE, and multiplies by the present SFE flat rate of \$30.00 per month. The only changes recommended in this proceeding are 1) a formal adoption of the

³ Transcript page 74, lines 1-2

⁴ Decision No. 67157, dated August 10, 2004, page 8, lines 17-9

1 billing practice in the tariff that results from this proceeding and, 2) an increase to the SFE
2 rate. The Company proposes an SFE rate of \$41.60 per month and Staff recommends a
3 rate of \$38.99 per month. As discussed more fully in the Staff report of February 23,
4 2011, the commercial rates would increase proportionately to the residential rates and the
5 increase would be 30.0 percent.

6
7 **THE ALLEGED AGREEMENT BY THE COMPANY TO PROVIDE SERVICE TO A**
8 **COMMERCIAL CUSTOMER FOR A FLAT \$125.00 MONTHLY RATE**

9 **Q. Does Staff have any first-hand knowledge of the alleged agreement?**

10 A. No. Staff was not involved with the negotiation of the agreement.

11
12 **Q. Please describe Staff's knowledge of the alleged agreement.**

13 A. Staff's knowledge is based on an email received from Jason Williamson of Pivotal Utility
14 Management, LLC on November 11, 2010. The email stated:

15
16 With respect to your question...on the Clubhouse, this rate was arrived at
17 early on (probably before our involvement), and to be honest, I'm not sure
18 of its genesis. I think their water meter was not a good determining factor
19 on which to base the sewer fee because the vast majority of the metered
20 use was for irrigation and pond make-up water. Obviously, there is not a
21 separate rate in the current tariff for the clubhouse, and until you
22 mentioned it, I hadn't noticed it being different from the other billing
23 items. I'll wait on your suggestion to determine whether or not we should
24 have the clubhouse migrate over to the commercial customer approach
25 (based on water use - which may or may not be possible from a plumbing
26 perspective), or to set up a separate tariff for the clubhouse (that may be
27 preferable in this case)..In general, based on the size of the clubhouse and
28 use, a rate equivalent to 4-5 SFE seems appropriate for this facility, in my
29 opinion.
30

Staff used the above as the basis for evaluating the billing practices that actually occurred in this proceeding and as the basis of its conclusion that the current billing practices were not in accordance with the tariff approved as a result of Decision No. 67157.

Q. Based on the above, what does Staff recommend?

A. As indicated in the Staff Report, Staff recommends that all commercial customers be billed using the same volumetrically-based methodology.

OTHER ISSUES

Q. Does Staff have other comments?

A. Yes. Subsequent to filing its Staff Report on February 23, 2011, Staff recognized that two changes to Schedule GWB-4 attached to that report are appropriate. First, an explanatory footnote should have been provided for the reconnection charge associated with delinquent accounts. Second, Staff's recommended charge for deferred payments should have been 1.5 percent per month. The appropriate revisions are presented below and a revised Schedule GWB-4 is attached.

Delete:

	Present Rate	Proposed Rate	Staff Recommended
Reconnection (Delinquent)	30.00	Cost	Cost

Change to:

	Present Rate	Proposed Rate	Staff Recommended
Disconnect/Reconnect (Delinquent)	30.00	Cost	Cost ****

Add footnote at bottom:

****: Actual cost of physical disconnection and reconnection (if same customer) and there shall be no charge if there is no physical work performed.

Delete:

	Present Rate	Proposed Rate	Staff Recommended
Deferred Payment	N/A	N/A	N/A

Insert:

	Present Rate	Proposed Rate	Staff
Recommended			
Deferred Payment	N/A	N/A	1.5 %

Q. Does this conclude your Direct Testimony?

A. Yes, it does.

Summary of Commercial Bills during Test Year

Commercial Billings	
Name	Total
1631.01 - K CHENS - COM - TERM	\$ -
1632.01 - ARIZONA RV AND PARTS - COM	\$ -
1587.01 - QUIZNOS - COM - TERM	\$ 76.47
1590.02 - BEACH CLUB - COM - EMAIL	\$ 220.32
1590.01 - SHOOTERS - COLLECT - TERM - DNS	\$ 368.39
1606.01 - FIRST SOUTHERN BAPTIST - COM	\$ 398.01
1591.01 - COYOTE WASH MARKET - COM - TERM	\$ 469.31
1001.01 - COYOTE WASH CLUBHOUSE	\$ 1,500.00
1553.02 - MICROTEL - ANDARONA - COM	\$ 1,805.23
1605.01 - CHEVRON STATION - COM - Lien	\$ 1,856.21
1553.01 - MICROTEL CW LLC - COM - TERM	\$ 1,904.71
1552.01 - JACK IN THE BOX - COM	\$ 4,039.21
(blank)	
Grand Total	\$ 12,637.86

1001.01 - COYOTE WASH CLUBHOUSE	\$ (1,500.00)
Adjusted Annual Balance of Volumetric Billings	\$ 11,137.86

10 Active Customers, \$12,637.86 per year

Only 9 Active Customers billed volumetrically, \$11,137.86 per year

Average Commercial Customer Billed Volumetrically, per year	\$ 1,237.54
---	-------------

Median Commercial Customer Billed Volumetrically per year	\$ 469.31
---	-----------

(Of the 10 active accounts shown above, Staff excludes
Coyote Wash Clubhouse because it is billed at a flat rate)

Comparison of Wastewater Flows and Revenues

WASTEWATER FLOWS*:

Jan-09	1,174,900
Feb-09	1,106,000
Mar-09	1,193,500
Apr-09	870,000
May-09	744,000
Jun-09	810,000
Jul-09	620,000
Aug-09	589,000
Sep-09	630,000
Oct-09	775,000
Nov-09	930,000
Dec-09	1,023,000
Totals 2009	10,465,400

Number of RV Dumps	1,000
Max. Gallons per Dump	45.00
RV Dumps	45,000
RV Dumps as % of Total for 2009	0.43%

REVENUES:

From Chevron station** \$ 1,856

Chevron station
as % of Revenues

Test Year Revenues:

Flat Revenues***	\$ 124,289	1.49%
Measured Revenues***	\$ 12,638	14.69%
Total Flat & Measured	\$ 136,927	1.36%

Notes:

*: Per Co. Application, page 11

** Per Attachment 1

***: Per Staff Report, Schedule GWB-1

RATE DESIGN

	Present Rates		Proposed Rates- Co.	Staff Recommended Rates	
Monthly Usage Charge- Residential - ALL Commercial - ALL ex. Coyote Wash Clubhouse		\$30.00 \$0.00		\$ 41.60 \$ -	\$ 38.99 \$ -
Commodity Rates					
Residential	N/A		N/A		N/A
Commercial - ALL ex. Coyote Wash Clubhouse	The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate of the commercial customer. One SFE is equal to 262 gallons per day. The resulting factor will be multipl		The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate (as determined by the metered water use times a factor of .85) of the commercial customer. One SFE is equal		The commercial rate will be calculated for each commercial customer by dividing one single family equivalent (SFE) into the average daily flow rate (as determined by the metered water use times a factor of .85) of the commercial customer. One SFE is equal
Sale of Effluent, per thousand gallons	\$2.00		\$2.77		\$2.60
Service Charges					
Flow Meter Installation Charge	100.00		N/A		N/A
Establishment	25.00		30.00		30.00
Establishment (After Hours)	N/A		N/A		N/A
Disconnect/Reconnect (Delinquent)	30.00		Cost		Cost***
Reconnection (Delinquent) after hours	N/A		N/A		N/A
Deposit	Per Rule*		Per Rule*		Per Rule*
Deposit Interest	Per Rule**		Per Rule**		Per Rule**
Re-Establishment (Within 12 Months)	25.00		25.00		25.00
NSF Check	1.5% / Mo.		1.5% / Mo.		1.5% / Mo.
Late Payment Penalty	N/A		N/A		N/A
Deferred Payment					
Service Lateral Installation Charges					
Per Service Line					
4" Meter	N/A		N/A		N/A
6" Meter	N/A		N/A		N/A
8" Meter	N/A		N/A		N/A
12" Meter	N/A		N/A		N/A
UNAUTHORIZED RATES					
Commercial- Coyote Wash Clubhouse	\$125 per month		\$173.33 per month		Bill on Commercial Rate

* Per Commission Rules (R14-2-603.B)
 ** Months off system times the minimum (R14-2-603.D.1)
 *** Per Commission Rules (R14-2-608.F)
 **** Actual Cost of physical disconnection and reconnection (if same customer) and there shall be no charge if there is no physical work performed.

BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE
Chairman
BOB STUMP
Commissioner
SANDRA D. KENNEDY
Commissioner
PAUL NEWMAN
Commissioner
BRENDA BURNS
Commissioner

IN THE MATTER OF THE APPLICATION OF)
THE LINKS AT COYOTE WASH UTILITIES,)
AN ARIZONA CORPORATION, FOR A)
DETERMINATION OF THE CURRENT FAIR)
VALUE OF ITS UTILITY PLANT AND)
PROPERTY AND FOR RATE INCREASES IN)
ITS RATES AND CHARGES FOR UTILITY)
SERVICE BASED THEREON)
_____)

DOCKET NO. SW-04210A-10-0392

DIRECT

TESTIMONY

OF

JIAN W. LIU

UTILITIES ENGINEER

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

APRIL 5, 2011

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EXECUTIVE SUMMARY
THE LINKS AT COYOTE WASH UTILITIES, LLC
DOCKET NO. SW-04210A-10-0392

CONCLUSIONS:

- A. Staff did not detect any odor during its site inspection on January 11, 2011.
- B. Demand placed on the plant by the free dumping had very little impact on the plant's operation in 2009.

INTRODUCTION

Q. Please state your name, place of employment and job title.

A. My name is Jian W. Liu. My place of employment is the Arizona Corporation Commission ("Commission"), Utilities Division, 1200 West Washington Street, Phoenix, Arizona 85007. My job title is Water/Wastewater Engineer.

Q. How long have you been employed by the Commission?

A. I have been employed by the Commission since October 2005.

Q. Please list your duties and responsibilities.

A. As a Water/Wastewater Engineer, my responsibilities include: the inspection, investigation, and evaluation of water and wastewater systems; preparing reconstruction cost new and/or original cost studies, and investigative reports; providing technical recommendations and suggesting corrective action for water and wastewater systems; and providing written and oral testimony on rate applications and other cases before the Commission.

Q. How many companies have you analyzed for the Utilities Division?

A. I have analyzed approximately 45 companies covering various responsibilities for the Utilities Division.

Q. Have you previously testified before the Commission?

A. Yes.

1 **Q. What is your educational background?**

2 A. I am a Ph.D. Candidate in Geotechnical Engineering from Arizona State University
3 ("ASU"). I have a Master of Science Degree in Natural Science from ASU and a Master
4 of Science Degree in Civil Engineering from Institute of Rock & Soil Mechanics
5 ("IRSM"), Academy of Sciences, China.

6
7 **Q. Briefly describe your pertinent work experience.**

8 A. From 1982 to 2000, I was employed by IRSM, SCS Engineers, and URS Corporation as a
9 Civil and Environmental Engineer. In 2000, I joined the Arizona Department of
10 Environmental Quality ("ADEQ"). My responsibilities with ADEQ included review and
11 approval of water distribution systems, sewer distribution systems, and on-site wastewater
12 treatment facilities. I remained with ADEQ until transferring to the Commission in
13 October 2005.

14
15 **Q. Please state your professional membership, registrations, and licenses.**

16 A. I am a licensed professional civil engineer in the state of Arizona.

17
18 **PURPOSE OF TESTIMONY**

19 **Q. Were you assigned to provide Staff's engineering analysis and recommendation for**
20 **The Links at Coyote Wash Utilities, LLC ("Links" or "Company") in this**
21 **proceeding?**

22 A. Yes. I reviewed the Link's application and responses to data requests, and I inspected the
23 wastewater treatment plant ("WWTP") on January 11, 2011. Since the Company is
24 classified as a Class D Utility, Staff filed a Staff Engineering Report on February 23,
25 2011. This Engineering Report was attached to the Staff Report labeled as Exhibit A.

1 The purpose of this Testimony is to respond to the Administrative Law Judge's Procedural
2 Order, Staff was ordered to address the following topics: (1) the alleged noxious odors
3 from the Links' WWTP, and (2) the alleged free dumping of waste from RVs at a
4 commercial customer location.

5
6 **Q. Were there any odor issues during your inspection on January 11, 2011?**

7 A. No, however the Company has informed Staff that it has made several improvements to
8 address any odor issue near the Links' WWTP, and will be filing Testimony to address the
9 issue.

10
11 **Q. How many gallons of waste water flow from the commercial customer location were
12 treated by the Links WWTP during the peak day in 2009?**

13 A. According to the Company less than 1,200 gallons.

14
15 **Q. How many total gallons of sewage flow were treated at the Links WWTP during the
16 peak day in 2009?**

17 A. According to the Company, the peak day flow treated by the Links WWTP in 2009 was
18 39,500 gallons.

19
20 **Q. Does this conclude your direct testimony?**

21 A. Yes, it does.